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Japan

Ministries Buy Foreign Cars To Ease Friction

OW2802020592 Tokyo KYODO in English 0134 GMT 28 Feb 92

[Text] Tokyo, Feb. 28 (KYODO)—Japanese Government ministries are buying foreign cars for use by their officials in the hope that this will help ease trade friction with other countries, government sources said Friday.

The Finance Ministry is buying a U.S.-made car in the coming fiscal year, starting April 1, which will be the ministry's first foreign car in several decades.

The Transport Ministry, meanwhile, has signed a lease contract for a U.S. car and a German car, while the House of Representatives is also planning to buy two foreign cars in the coming fiscal year, according to the sources.

The Foreign Ministry, which plans to buy three cars, is taking foreign cars "into consideration," a source at the ministry said.

The ministry is as yet undecided, recalling that a U.S.-made car it bought when the government campaigned for more imports in 1985 and 1986 has developed troubles and been out of use for some time, the source said.

Spokesman Regrets Timing of PRC Islands Claim

OW2802093392 Tokyo KYODO in English 0922 GMT 28 Feb 92

[Text] Tokyo, Feb. 28 KYODO—Japan considers it "unfortunate" China has asserted its claim to a group of islands under Japanese control during the 20th anniversary of the normalization of bilateral ties, a Foreign Ministry spokesman said Friday.

But spokesman Masamichi Hanabusa declined to comment on how the development might affect the anticipated visits by Chinese Communist Party General Secretary Jiang Zemin to Tokyo in April and Emperor Akihito to Beijing later in the year.

"It may not be appropriate to speculate about the Chinese intentions and their possible effects on our bilateral relations," Hanabusa told foreign correspondents.

The Chinese people's assembly on Tuesday promulgated a law on territorial waters and adjacent waters. An article of the law stipulates the area of Chinese territory and includes the Senkaku Islands in the East China Sea, known in China as Diaoyutai.

Hanabusa said, "The Japanese Government considers the Chinese action most regrettable and asks that it be rectified."

"There is no doubt on grounds of history and international law that the Senkaku Islands are an inherent territory of Japan," he said, noting Japan also exercises effective control of the islands.

He said there was no discussion of any impact on mutual visits when Japanese representatives lodged protests with the Chinese Foreign Ministry in Beijing on Wednesday and the Chinese Embassy in Tokyo on Thursday.

He said, "The visit of dignitaries will be decided upon, taking into consideration the conveniences of the people involved and appropriateness of the visits."

China has repeatedly called for an imperial visit as the high point of a series of events and high-level exchanges to commemorate the anniversary.

Hanabusa said Japan believes the act of the people's assembly does not reflect any intention to aggravate relations with Japan.

"We do hope it is the desire of the Chinese Government to maintain our present good relations," he said.

Koichi Kato Welcomes Yeltsin Letter to Miyazawa

OW2802082392 Tokyo KYODO in English 0803 GMT 28 Feb 92

[Text] Tokyo, Feb. 28 KYODO—Russian President Boris Yeltsin has sent a letter to Japanese Prime Minister Kiichi Miyazawa seeking closer partnership between the two countries and viewing Japan as a potential ally, a government spokesman said Friday.

Chief Cabinet Secretary Koichi Kato said at a news conference Yeltsin's letter also said he will continue working with Japan to conclude a peace treaty by settling bilateral problems, including a dispute over four northern islands off Hokkaido.

Kato said Japan welcomes the Yeltsin letter, which arrived Thursday.

Hails 'Epoch-Making' Expressions

OW2802102192 Tokyo KYODO in English 1009 GMT 28 Feb 92

[Text] Tokyo, Feb. 28 KYODO—Russian President Boris Yeltsin has called Japan a "potential ally" and told Japanese Prime Minister Kiichi Miyazawa he hopes to forge a partnership with Tokyo, the top government spokesman said Friday.

"Russia regards Japan as a partner bound by our shared human values, moreover a potential ally," Chief Cabinet Secretary Koichi Kato said, quoting Yeltsin's letter Miyazawa received Thursday.

In the letter, Yeltsin said he strongly hopes to see improved relations with Japan.

Kato hailed the expressions of a new intimate relationship as "epoch-making."

"Considering the history of confrontation with the Soviet Union, it is a welcome development that Russia wishes to describe the Russian-Japanese relationship as one of allies," Kato said.

But he said it is "too early to say Russia has changed its thinking" and cautioned against expecting that a Yeltsin visit planned for September would yield a quick solution to a bilateral territorial dispute that has soured relations for over four decades.

"But we take note of their enthusiasm for normalizing relations," Kato said.

Japan demands the return of four small islands off its northernmost main island of Hokkaido seized by the Soviet Red Army at the end of World War II as a condition for concluding a peace treaty.

According to the government's translation of the letter into Japanese, Yeltsin said, "I am determined to continue jointly pursuing a solution to the peace treaty issue, including the demarcation of territory, based on 'law and justice.'"

Yeltsin said he hopes to continue "ample, fruitful discussions" with Miyazawa and strengthen their personal relationship during the planned visit this fall.

The Russian leader also thanked Miyazawa for providing assistance and moral support for economic reforms he is undertaking.

Earlier this month Japan shipped 40 million yen worth of emergency supplies to Russia as part of a 6.5 billion yen package to the republics of the former Soviet Union.

The letter arrived one month after Miyazawa and Yeltsin held their first meeting, when both were in New York to attend a U.N. Security Council summit.

Yeltsin said in the letter that their U.N. meeting has been important in deepening mutual understanding, establishing a relationship of personal trust, and moving bilateral relations "to a different level."

During that trip, Yeltsin and U.S. President George Bush formally declared their nations allies.

Kato said Miyazawa has not decided whether to reply.

Russia Urged To Review Fishing Pact With ROK

OW2802084592 Tokyo KYODO in English 0717 GMT 28 Feb 92

[Text] Tokyo, Feb. 28 KYODO—Japan on Friday urged Russia to reconsider a fishing agreement with Seoul that lets South Korean boats fish in waters, including those around Japanese-claimed islands.

Nagao Hyodo, director general of the Foreign Ministry's European and Oceanian Affairs Bureau, made the request in a meeting with Youriy Kouznetsov, minister-counselor at the Russian Embassy, Japanese officials said.

Hyodo said the agreement—allowing South Korean boats to fish in a 200-mile (320-kilometer) zone around four Russian-held islands off Hokkaido—is "extremely regrettable" and can damage Japanese-Russian relations, according to a ministry official.

Kouznetsov said he would relay the message to Moscow, but responded that the Russian-Korean fishing accord does not contradict a similar agreement between Japan and Russia, ministry officials said.

Hyodo planned to meet later Friday with Yi Chea-chun, South Korean minister in the embassy here, to seek a change in the fishing pact, the officials said.

In a separate development, the ruling Liberal Democratic Party (LDP) responded to China's renewed claim over the Senkaku Islands in the East China Sea, after reviewing information tying them to Japan's possession of Okinawa.

Senior LDP Diet member Shintaro Ishihara told the party's executive council that documents on the 1972 return of Okinawa to Japan by the United States stipulate Japan's jurisdiction over the islands, which are called the Diaoyutai by China.

'Demarches' Made to Russia, ROK

OW2802125692 Tokyo KYODO in English 1230 GMT 28 Feb 92

[Text] Tokyo, Feb. 28 KYODO—Japan on Friday complained to South Korea and Russia about an agreement between the two countries providing for joint fishing operations in the vicinity of four Russian-held islands claimed by Japan, Foreign Ministry officials said.

The officials said the "demarches" were made by Nagao Hyodo, director general of the Foreign Ministry's European and Oceanian Affairs Bureau, to senior diplomats of the South Korean and Russian Embassies in Tokyo, who were summoned to the ministry.

Hyodo was quoted as telling Yi Chae-chun, minister of the South Korean Embassy in Tokyo, that it is "regrettable" that South Korea, despite being considered by Japan as a friendly country, entered into the accord with Russia to fish around the disputed islands "without any prior consultation at all."

He urged Seoul to take unspecified measures to ensure that actions on its part do not serve to undermine Japan's efforts at coming to a territorial settlement with Russia.

The four islands, located in a rich fishing area off Hokkaido, were seized from Japan by the Soviet Red Army at the end of World War II.

The officials said Yi explained that the specific agreement to fish around the islands was reached in a "private-sector meeting" in Vladivostok on February 10-14.

They said, however, that despite the diplomat's description of the meeting, which elaborated on a fisheries treaty signed between the two governments last September, officials of the South Korean Government's fisheries agency were in attendance.

Yi, noting that his government "fully understands" Japan's diplomatic efforts for a territorial settlement, said that in entering into the original fisheries treaty with Russia, it had "no intention of affecting Japan's stance on the four northern islands."

Earlier in the day, Hyodo met Yuriy Kuznetsov, minister-counsellor at the Russian Embassy, and urged Moscow to reconsider its fishing agreement with South Korea.

Hyodo was quoted as saying the Vladivostok agreement is "extremely regrettable" and could damage Russo-Japanese relations.

Kuznetsov responded that the accord does not contradict a similar fisheries agreement between Japan and Russia, according to the officials.

They said Japanese diplomats in Seoul and Moscow plan to make similar representations to the foreign ministries of the two countries as well as at Russo-Japanese fisheries talks beginning March 2 in Tokyo.

Meanwhile, Foreign Ministry Spokesman Masamichi Hanabusa, in a meeting with foreign correspondents, denied South Korea has violated any kind of "understanding" with Japan regarding the northern territories issue.

"They are aware of our position...but I believe their position is that this is an issue between Japan and the Russian Federation," the spokesman said. "They have nothing to do with this issue."

Town Gives Sewing Machines to Jobless Siberians

OW2802091292 Tokyo KYODO in English 0746 GMT 28 Feb 92

[Text] Akita, Feb. 28 KYODO—A local friendship group said Friday it has airlifted 30 new sewing machines to the eastern Siberian city of Khabarovsk to help former Communist Party female employees do part-time work.

The Japan-Russia Friendship Exchange Association in Aikawa, Akita Prefecture, said it forwarded the sewing machines in response to a request from Irina Strelkova, deputy governor of Khabarovsk Province.

The association received the request when its mission visited the city and spoke with Strelkova, who told of her concern for former Communist Party workers who have been unemployed since the party was disbanded late last year.

Aikawa with a population of 9,000 initiated the exchange when townspeople visited the Siberian province to pay tribute to burial places of Japanese Imperial Army soldiers who perished in detention camps there after Japan's surrender in World War II, the association said.

Since then, mutual exchanges have gained momentum, including a visit to Aikawa by Strelkova. The town has dispatched high school teachers to Khabarovsk to teach Japanese.

Association leader Masaharu Ito said, "although our resources in this small town are limited, these continuing exchanges will eventually help deepen understanding between the two countries."

Spokesman Asks Iraq To Fulfill UN Resolutions

OW2802085092 Tokyo KYODO in English 0817 GMT 28 Feb 92

[Text] Tokyo, Feb. 28 KYODO—Japan is disappointed with Iraq's refusal to abide by United Nations Security Council resolutions, particulalry those pertaining to the distribution of humanitarian aid, a Foreign Ministry spokesman said Friday.

One year after Iraqi occupiers were forced out of Kuwait, "the situation in that part of the Middle East is not yet satisfactory," ministry spokesman Masamichi Hanabusa said.

"It cannot be said that peace and stability have been established in the (Persian) Gulf region," he told reporters.

Hanabusa said that Iraq has not accepted relevant resolutions passed by the U.N., particularly Security Council Resolutions 706 and 712 dealing with the equitable system of distribution of humanitarian goods.

"Japan would like to take possible measures for the people of Iraq who are suffering from shortages of necessities, but it is prevented from doing so," he said.

The spokesman also expressed concern over the continued detention of a number of Kuwaitis and third-party nationals in Iraq. "In this sense, the Gulf crisis is not yet over for Kuwait," he said.

"Japan strongly requests the government of Iraq again to accept all the relevant Security Council resolutions as soon as possible and implement them in full," he said.

Photo Collection Shows Civilian Damage in Iraq

OW2802130292 Tokyo KYODO in English 0901 GMT 28 Feb 92

[Text] Tokyo, Feb. 28 KYODO—A book of photos taken during the Gulf war and published in Japan shows that the United States committed a "criminal act" in its attack on Iraq, Iraqi Ambassador to Japan Rashid M.S. al-Rifa'i said Friday.

Speaking to the press at a gathering to commemorate the publication of the book on the anniversary of the end of the Gulf war, al-Rifa'i said the book's 30 color and black and white photos show that damage caused by the war was worse than originally portrayed.

Iraqi photographers took all the photos in the book titled "The Unreported Gulf War."

Koko Nakajima, the Japanese woman who brought the photos from Iraq for publication, said she wanted the 80-page book published because it would show the Gulf war from the Iraqi side.

Nakajima, a member of Global Citizens' Peace Action Network which funded the publication of the book, said the photos were chosen to show the extent of damage to civilian homes and facilities, as well as bridges in Baghdad.

"Some of the targets were said to have been military ones, but we can see from the photos that they were not," Nakajima said.

'Japan-France Committee' Holds Inaugural Session

OW2702154692 Tokyo KYODO in English 1434 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 KYODO—The Japan-France Committee, holding its first meeting in Tokyo, agreed Thursday to strengthen bilateral relationships in various areas, Japanese officials said.

The nongovernmental committee was established in July 1990 in an agreement made between then Japanese Prime Minister Toshiki Kaifu and then French Prime Minister Michel Rocard during Rocard's visit to Japan.

The committee consists of five members from each country, with Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), leading the Japanese group, and Henri Martre, president director-general of Aerospatiale Company, heading the French delegation.

During the meeting, the Japanese side said a relationship with France is important for Japan, both in terms of the nations' bilateral relationships and as far as Japan's relations with the European Community (EC).

The French representatives said it would be impossible to construct a new world order without Japan.

The Japan-France Committee agreed to advise both governments to hold foreign ministerial meetings more frequently.

The committee's next meeting will be held in Paris in late October.

Union Members 'Favor' Sending SDF Overseas

OW2702120992 Tokyo KYODO in English 1144 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 KYODO—Almost two-thirds of the members of Japan's largest trade union favor dispatching Self-Defense Forces (SDF) personnel overseas, according to a labor union survey released Thursday.

The 1.06 million-strong all Japan prefectural and municipal workers' union (Jichiro), surveyed some 15,000 members last October. It received answers from 67.6 percent of the pollees.

Jichiro is one of main bases of support for the No. 1 opposition party, the Social Democratic Party (SDP). The SDP strongly opposes sending of SDF personnel abroad as proposed by the government and its ruling Liberal Democratic Party.

The Jichiro survey shows 65.8 percent support the SDF's participation in peacekeeping operations overseas, contradictory to a policy of the SDP.

However, the majority said the dispatch should be restricted to nonmilitary operations.

Regarding the SDF itself, 54.7 percent would allow it to maintain the status quo, while only 8.2 percent said the SDF should be gradually reduced and finally be abolished.

The survey also shows only 24.2 percent support the SDP, 10.6 percent backing the LDP, and 55.6 percent said they do not support any existing party.

In the group of union members in their early 20s, those who support the LDP surpass the SDP supporters.

Tokyo To Allow Flights Linking Osaka, Kathmandu

OW2702120592 Tokyo KYODO in English 1110 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 KYODO—Japan has agreed during talks between Japanese and Nepalese aviation authorities in Kathmandu to allow a Nepalese airline company to fly to Kansai International Airport in western Japan, Transport Ministry officials said Thursday.

The two sides will conclude a bilateral aviation accord and make an official decision to open the first regular flights between the two countries, which will link Osaka and Kathmandu, they said.

The accord will be the first concluded on condition that flights be allowed into the new airport, which is scheduled to open in the summer of 1994.

There are currently 43 countries including Nepal that are seeking an aviation accord with Japan, they said.

But the Transport Ministry has suspended aviation talks with many of the other countries because of the limited space at new Tokyo International Airport in Narita, Chiba Prefecture, east of Tokyo, they said.

The ministry intends to reopen talks with the other countries and gradually close aviation agreements with them which will allow foreign flights into the Kansai Airport, the officials said.

Tokyo To Give Disaster Relief Aid to Lebanon

OW2802043792 Tokyo KYODO in English 0046 GMT 28 Feb 92

[Text] Tokyo, Feb. 28 (KYODO)—Japan will provide 150,000 dollars in disaster relief aid to Lebanon to help it recover from massive snow avalanches and floods, Foreign Ministry officials said Friday.

Officials said the aid is in response to Lebanon's request for international help after the disasters struck the Mideast country earlier this month, leaving 26 people dead, 10,000 injured, and about 90 villages cut off from help.

In addition, many homes were destroyed, crops were damaged, and facilities such as roads, telecommunications systems, and electricity lines were put out of commission, they said.

Officials said the disasters were the result of rainstorms and the first snowstorms to hit in the Middle Eastern country in five years.

Watanuki Proposes Two-Stage Political Reform

OW2702114692 Tokyo NHK General Television Network in Japanese 1000 GMT 26 Feb 92

[Text] After Prime Minister Kiichi Miyazawa made positive remarks regarding political reform, there are surfacing various views within the Liberal Democratic Party [LDP] as to which direction political reform should be heading. General Secretary Watanuki today spoke on the urgent task of reapportioning seats in the House of Representatives, and proposed a two-step action. He said that actions to get out of the existing unconstitutional state must come first and that action to drastically redistribute the seats must come after that.

[Begin Watanuki recording] We need to deeply study whether we can come to an ideal state of political reform in one big sweep. I think that as the first step, the unconstitutional disparity problem should be redressed, and then we should go into the next stage. Therefore, I think that it is natural to pursue reform based on this idea, redressing the problem of unconstitutional disparity and not increasing four seats in some districts and reducing four seats in other districts. [end recording]

These remarks by General Secretary Watanauki are interpreted to mean that since there are voices in the LDP saying that drastic action like reducing the lower house seats to 471 at once is impossible, he wants to carry out a small scale readjustment first, by bringing the comparative value of votes [between the largest population district and the smallest population district] to within the scope of 3 to 1 [the maximum permissible disparity according to the Supreme Court ruling]. He wants to pursue further reform after that first action.

Meanwhile, Mr. Hiroshi Mitsuzuka, chairman of the LDP's Mitsuzuka faction and former LDP Policy Research Council chairman, met with Prime Minister Miyazawa on the afternoon of 26 February. He expressed a willingness to cooperate with the government on the policy and with the LDP to decide on a basic plan on such urgent questions as the reapportionment of house seats by the middle of March and to carry out a drastic reform by November. Mr. Mitsuzuka also called on the prime minister to display strong leadership in reform efforts.

The Political Reform Headquarters of the LDP, in a staff meeting on 26 February, discussed views expressed by four party executives and Diet Affairs Committee members in relation to the headquarters' stand to prepare a basic plan on urgent tasks to be accomplished by the middle of March. The party officials' views are that the plan should be one which is practical and hence is easy regarding obtaining the approval of opposition parties as well as the LDP. But reform headquarters officials expressed concern that such views may be tantamount to throwing cold water on future discussions concerning political reform, and they agreed to maintain contact with the party leadership on the matter in order to maintain teamwork within the party.

Following the meeting, Chairman Takashi Hasegawa of the LDP Political Reform Headquarters and Director Hajime Ishii of the LDP Policy Research Council Election System Division called on Vice President Shin Kanemaru this afternoon, asking for his support in the party's political reform efforts. In reply, Mr. Kanemaru said that political reform is an important issue but that the LDP should deal realistically with the issue.

The LDP Political Reform Headquarters Political Funds Division also had a sectional meeting today. Some members stressed that legislative actions should be taken to impose upon all Diet members a duty to report their personnal assets. However, the majority said that the question of political donations by the private sector and public subsidies for politicians should be discussed only when a comprehensive political reform plan is brought up for Diet deliberations.

Opposition To Urge Budget Defense Cuts, Reform

OW2702120692 Tokyo KYODO in English 1153 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 KYODO—Leaders of three opposition parties agreed Thursday to hold talks aimed at jointly seeking a reduction of defense outlays in the fiscal 1992 budget, officials of the parties said.

The secretaries general of the Social Democratic Party (SDP), the largest opposition party, the Democratic Socialist Party (DSP), and the United Social Democratic Party (USDP) met in the Diet and agreed they will spend a week to work out a joint stand on the budget revision next Thursday.

Sadao Yamahana of the SDP, Takashi Yonezawa of the DSP, and the USDP's Shogo Abe also agreed to urge No. 2 opposition party Komeito to join in, the officials said.

Komeito Secretary General Yuichi Ichikawa did not attend the session.

In the fiscal 1992 national budget totaling 72,218 billion yen, defense outlays amount to 4,551.8 billion yen. Citing the end of the cold war and relaxation of tensions in the world, the opposition parties have been seeking a cut in defense spending.

The SDP's Yamahana told a press conference each party is in the middle of hammering out its own plan on the defense reduction, noting only the opposition will have a frank exchange of views on the issue after all the plans come out.

The three secretaries general also agreed to pursue enactment of an emergency law to prevent political corruption and establish higher political ethics, the officials said.

The law would apparently be designed to prevent the recurrence of the cash-for-favors scandal involving Kyowa Co., a now defunct steel-frame maker, and former State Minister Fumio Abe.

Abe, former director general of the Hokkaido and Okinawa development agencies, was indicted February 1 on a charge of accepting 90 million yen in bribes from Kyowa.

Former Prime Minister Zenko Suzuki and former State Minister Jun Shiozaki testified in the Diet on Tuesday on their roles in the influence-peddling scandal.

Poll Reports Support for Miyazawa Cabinet Falls

OW2702235192 Tokyo KYODO in English 2339 GMT 27 Feb 92

[Text] Tokyo, Feb. 28 (KYODO)—The public approval rate for the cabinet of Prime Minister Kiichi Miyazawa nose-dived by 8.1 percentage points to 32.2 percent in February, after revelations of a series of scandals, a YOMIURI SHIMBUN poll released Friday showed.

The public disapproval rate for the cabinet also jumped by 9.5 percentage points to 52.7 percent.

Support for the ruling Liberal Democratic Party [LDP], however, declined only slightly, by 0.6 percentage points to 48.7 percent, the YOMIURI survey showed. Support for opposition parties also was unchanged from January.

The approval and disapproval rate of the Miyazawa cabinet was similar to that of the cabinet of former Prime Minister Noboru Akeshita after criticism over the Recruit stock-for-favor scandal in December 1988. At that time, the approval rate was 31.9 percent while the disapproval rate was 50.6 percent, the mass circulation YOMIURI said.

Among those who disapproved of the Miyazawa cabinet, 50.1 percent cited political ethics and political reform as their reasons.

In addition, 28.4 percent said they disliked the Miyazawa cabinet because of foreign policies, and 23.9 percent said they were dissatisfied with economic policies, the poll showed.

Among the cabinet's supporters, as many as 47.9 percent said they favored the cabinet because it was made up of the LDP.

YOMIURI conducted the nationwide survey last Saturday and Sunday, and 2,115 out of 3,000 eligible voters responded.

Opposition Parties Boycott Diet Budget Debate

OW2802025192 Tokyo KYODO in English 0238 GMT 28 Feb 92

[Text] Tokyo, Feb. 28 (KYODO)—Opposition parties boycotted a Diet committee session deliberating budget bills Friday morning over the ruling party's refusal to call as a sworn witness a former cabinet minister under indictment for taking bribes, officials said.

Opposition parties may not quit their boycott of the House of Representatives Budget Committee until early next week unless the ruling Liberal Democratic Party (LDP) concedes to the opposition demand, the officials said.

Opposition members of the Budget Committee made their stand clear at a meeting with their LDP counterparts at the Diet building.

Prospects for a resumption of the budget debate later in the day remain uncertain. The committee is to consider the fiscal 1992 budget bills designed to stimulate the economy to meet Japan's domestic and international obligations.

Passage of the budget bills may be delayed until after March 11, which was when observers had expected the lower house to approve the bills before sending it to the opposition-controlled House of Councillors.

The legislative squabbling could block the passage of the bills before the March 31 deadline, when the current fiscal year ends.

Opposition parties renewed their demand that Fumio Abe, former head of the Hokkaido Development Agency, and Goro Moriguchi, former vice president of Kyowa Co., be summoned to testify before the Diet under oath to clear up lingering questions on the involvement of some LDP politicians in the cash-for-favors scandal, the officials said.

The ruling party rejected the demand, saying that Diet testimony by the two—currently under indictment for alleged bribery—may make it more difficult for prosecutors to unravel the details of the scandal, they said.

Abe currently is free on bail of 50 million yen after prosecutors charged him with accepting 90 million yen from Kyowa, a bankrupt steel frame making company in exchange for providing confidential information on the route of a highway project in Hokkaido, and for using his influence for other favors.

In the morning session, Legislator Toshinao Matsuura of the Social Democratic Party was to have questioned the government.

LDP Demands Penalty for Narazaki's Question

OW2702110992 Tokyo KYODO in English 1034 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 KYODO—The ruling Liberal Democratic Party (LDP) moved Thursday to penalize a House of Representatives opposition member for a remark in a Diet committee meeting where he linked an LDP lawmaker to a cash-for-favors scandal, LDP officials said.

If the motion is adopted by the lower chamber's committee on discipline, Yanosuke Narazaki of the minor opposition group Shinminren could be barred from attending the Diet for a certain period, opposition sources said.

Posing a question on the Kyowa bribery scandal during a House of Representatives' Budget Committee meeting Tuesday, Narazaki said LDP lower house member Shoichi Nakagawa introduced officials of Kyowa Co. to former State Minister Fumio Abe.

Abe has been indicted on a charge of accepting 90 million yen from Kyowa, a defunct steel-frame maker, in exchange for his influence in boosting Kyowa's business chances on public works projects in Hokkaido.

Narazaki directed the questions at former Prime Minister Zenko Suzuki, who testified before the budget committee as an unsworn witness.

Narazaki said at the time that Suzuki knew Nakagawa allegedly acted to initiate a cozy relationship between Kyowa and Abe. Nakagawa protested the statement after the committee meeting was wrapped up, demanding that Narazaki withdraw his remark.

Diet Members Received Sagawa Kyubin 'Help'

OW2702193192 Tokyo KYODO in English 1444 GMT 27 Feb 92

[Text] Tokyo, Feb. 27 KYODO—Two Diet members of the main opposition party, the Social Democratic Party, were among an unknown number of politicians who received financial help from the scandal-ridden parcel delivery firm Tokyo Sagawa Kyubin Co., informed sources said Thursday.

They are Kazuko Yoshida and Nobutaka Tsutsui, both members of the House of Representatives.

Yoshida sold party tickets for some 5 million yen to Hiroyasu Watanabe, former president of Tokyo Sagawa Kyubin, who was arrested February 14 on suspicion of involvement in a breach-of-trust case.

Tsutsui received 1 million yen in political donations from two affiliates of the Sagawa Kyubin Group at a fundraising party held in Jyoetsu, Niigata Prefecture, in October 1988. Then SDP Chairwoman Takako Doi attended the party.

Tsutsui's secretary in Niigata said his office was not aware that the two firms Tsutsui accepted the donations from were Sagawa affiliates.

Yoshida expressed her intention the same day to resign from the party's leadership body, the central executive committee.

The SDP leadership will hold an emergency meeting Friday to discuss how to address the matter, party officials said.

Yoshida was elected to the lower house from the No. 6 constituency in Tokyo in February 1990 and served as a central executive committee member and also as director of the People's Livelihood Bureau of the party.

Yoshida, Watanabe and Kiyoshi Sagawa, chairman of Sagawa Kyubin Co., are all from Niigata.

Another SDP member in the House of Representatives, Kazuhiko Tsuji, is known to have received 3 million yen in political donations from Hokuriku Sagawa Kyubin Co. in 1989 and returned the money in January this year.

Also Thursday, a public prosecutor testified in court that a former employee of Recruit Co. had said two lower house members of the SDP, Tetsu Ueda and Takumi Ueda, each received a 1 million yen political donation from the information service conglomerate Recruit.

Hiromi Nagai of the Tokyo District public prosecutors' office said in a trial on the Recruit shares-for-favors scandal that Masao Tatsumi, a former Recruit employee, said in a statement that he gave the political donations to the two SDP legislators in December 1984.

Scandal-Tainted Legislator Resigns From Post

OW2802051092 Tokyo KYODO in English 0441 GMT 28 Feb 92

[Text] Tokyo, Feb. 28 (KYODO)—The opposition Social Democratic Party [SDP] on Friday accepted the resignation from the party leadership body of House of Representatives member Kazuko Yoshida because she had sold fund raising party tickets to a parcel delivery company involved in a scandal.

Yoshida sold fund-raising party tickets worth 5 million yen to Hiroyasu Watanabe, former president of Tokyo Sagawa Kyubin Co., who was arrested February 14 on suspicion of involvement in a breach-of-trust case.

In the meeting, the three top officials of the biggest opposition party also decided the party will not punish Yoshida because she is not directly acquainted with Watanabe and Sagawa Kyubin did not ask her for any favors in return for the money, the officials said.

The SDP leadership also concluded that Yoshida did not violate the law by receiving money for the fund-raising party.

The party officials said, however, that as the SDP has taken the initiative in probing the Tokyo Sagawa Kyubin Scandal, the party decided to accept her resignation for moral reasons.

Yoshida also serves as director of People's Livelihood Bureau of the party and the party officials have accepted her resignation from that post as well.

Yoshida told a news conference after the party leadership meeting that she heard about Sagawa's donation for the first time Thursday from her husband who serves as her secretary.

Yoshida said she deeply regrets the suspicious donation and apologized to the party and her local supporters.

Yoshida said she returned the 5 million yen to Tokyo Sagawa Kyubin Thursday by remitting the money through a bank account.

Yoshida was elected to the lower house from the No. 6 constituency in Tokyo in February 1990.

Informed sources disclosed Thursday that SDP Diet Member Nobutaka Tsutsui also received 1 million yen in political donations from two affiliates of the Sagawa group at a fund-raising party held in Jyoetsu, Niigata Prefecture, in October 1988.

Upper House Member Kano Dies of Heart Failure

OW2602225992 Tokyo KYODO in English 1441 GMT 26 Feb 92

[Text] Tokyo, Feb. 26 KYODO—House of Councillor member Akio Kano of the ruling Liberal Democratic Party (LDP) died of heart failure at a Tokyo hospital Wednesday night. He was 57.

Kano was first elected to the House of Representatives from the No. 1 constituency in Ibaraki Prefecture in 1979 and was reelected in 1980.

After losing a third bid to keep his seat in the powerful chamber in 1983, he was elected to the House of Councillors in 1989. He belonged to the third-largest LDP faction headed by Hiroshi Mitsuzuka.

Kano's seat will be filled by a special election possibly in early April.

His death increased the upper house's vacancies to three, with the LDP holding 113 seats in the 252-member chamber.

The Social Democratic Party holds 72 seats, the group of Komeito and Kokuminkaigi 20, the Japanese Communist Party 14, Rengo Sangiin 12, the group of the Democratic Socialist Party, the Sports and Peace Party, and Kokuminrengo 10, Sangiin Club 4, and Independents 4.

Smaller Firms Urge Lower Real Interest Rates

OW2802142292 Tokyo KYODO in English 1018 GMT 28 Feb 92

[Text] Tokyo, Feb. 28 KYODO—Smaller Companies, hit hard by the current economic slowdown, desperately hope for a further lowering of real interest rates, a senior government official told Prime Minister Kiichi Miyazawa Friday.

Masaaki Nangaku, chief of the small and medium enterprise agency affiliated with the Ministry of International Trade and Industry Ministry (MITI), said at a press conference that he told Miyazawa that many smaller firms feel unhappy about the persistent gap in interest rates banks charge on lending to them and to major companies

Rates on loans to smaller businesses have been falling since January this year, but many managers of small and mid-scale concerns still complain that the downtrend is slower than the drop in the short-term and long-term prime rates applied to bigger firms, he told Miyazawa in a briefing requested by the prime minister.

Nangaku also said the prime minister showed "very strong interest" in whether lower real interest rates could actually encourage smaller companies into spending more on plants and equipment.

Nangaku said he answered that the "potential appetite" for capital spending is very strong among smaller companies, which are facing the need to become less labor-intensive to survive Japan's chronic shortage of labor.

He told Miyazawa that the lowering of interest rates would be helpful in making that appetite more "manifest."

Current Account Surplus Grows From Year Ago

OW2802131992 Tokyo KYODO in English 0800 GMT 28 Feb 92

[Text] Tokyo, Feb. 28 KYODo—Japan's current account surplus vaulted 68.1-fold in January from a year earlier as sharp declines in crude oil prices depressed imports, the Finance Ministry said Friday.

But a ministry official said the year-on-year upswing will begin to flatten out in March as the import-depressing effect of falling oil prices will vanish, and both trade and current account surpluses will edge down in the new fiscal year starting April 1.

Japan's current account surplus ballooned to 3,064 million dollars in January from 45 million dollars a year earlier, the ministry said.

The staggering year-on-year jump in the current account surplus was a product of a steep run-up in the trade surplus caused by the combined effects of brisk exports and weak imports.

But, the official stressed, the effect of oil-price drops was the principal factor for both.

The unadjusted trade surplus soared 89.9 percent to 5,893 million dollars.

Exports picked up 8.1 percent to 23,325 million dollars, while imports fell 5.6 percent to 17,432 million dollars.

The official said the price effect, about half of which came from the yen's 7.3 percent upswing, accounted for some 70 percent of the year-on-year increase in exports.

Exports grew only 2.8 percent in terms of volume on a customs clearance basis, the official noted.

The official attributed the drop in imports to the softening of the crude oil market after the Persian Gulf war ended.

The average price for crude in January was 19.02 dollars a barrel, down 33.5 percent from 28.60 dollars in January 1991, when oil prices soared at the onset of the war.

Excluding crude oil and oil products, imports increased 2.5 percent, the official said.

The ministry official said imports are in fact firming.

Economists agree that the unbroken year-on-year increases in the monthly current account surplus since last April will end in a couple of months. But few expect the surplus to decline significantly in the near future.

Jesper Koll, senior economist at S.G. Warburg Securities (Japan) Inc., said Japan's current account surplus is only natural, given its high personal savings ratio.

"The basic function determining a country's current account surplus or deficit is the net balance of savings in that country," he said. "In Japan, savings are high, and have actually risen over the last five quarters."

The savings rate in Japan has risen from around 14 percent to the current 17.5 percent during the period, Koll noted.

"From that point of view, (Japan's current account surplus of) 2 percent of the GNP (gross national product) would seem about right," he said.

Paul Summerville, senior economist at Jardine Fleming Securities Ltd., pointed to several "constraints on demand" that he said will cause Japan's surplus to keep soaring for years.

He said a variety of structural constraints on domestic demand, such as a labor shortage, infrastructure bottlenecks, capital constraint, and legal and tax restraints will cap Japan's economic growth at around [figure indistinct] percent to 3.5 percent for the next three or four years.

"The domestic demand growth in Japan will stay at an average of 3.5 percent for the next five years, compared with 5.4 percent during the 'Heisei' boom," he said, referring to the economic expansion that appears to have lasted until recently.

"I think Japan has entered a new era in its economic history, which will be defined by very moderate growth, a growth that the Japanese are unused to," Summerville said.

He said the structural matters are "enormously important" for redressing Japan's external imbalances.

In order to enliven domestic demand structurally, "the government has to reduce the direct taxation, change some of the constraints that prevent land from coming into the market, and aggressively build infrastructure outside of the core areas in Japan," he said.

"But it's a very difficult problem," he said, since "none of these changes is going to occur without a change in leadership in Japan," which he said was quite unlikely to happen.

Balance of Payments (in millions of dollars)

	Jan. '92	Jan. '91
current account	3,064	45
trade	5,893	3,104
exports	23,325	21,573
imports	17,432	18,469
invisible trade	-2,528	-2,824
transfer payments	-301	-235
long-term capital	3,515	-2,879
basic balance	6,579	-2,834
short-term capital	1,512	-2,339
errors/ommissions	1,483	-64
overall balance	9,574	-5,237

Hata: Consumer Prices Moving in Right Direction

OW2802073092 Tokyo KYODO in English 0232 GMT 28 Feb 92

[Text] Tokyo, Feb. 28 (KYODO)—Finance Minister Tsutomu Hata said Friday that consumer prices are moving "in the right direction."

Hata made the remark at a press conference following a regular cabinet meeting after the Management and Coordination Agency announced earlier in the day that consumer prices in the Tokyo area rose a moderate 2.2 percent in February from a year earlier.

Hata said that while prices in the service sector have not yet shown signs of declining, prices of perishable foods, which caused a sharp upswing in consumer prices last year, and of other goods are stabilizing.

Asked about U.S. Treasury Undersecretary David Mulford's overnight remarks indicating the U.S. can tolerate the current level of the dollar against the yen, Hata said he has not heard any official comments from the U.S. about the remarks.

"I wonder if (Mulford's remarks) are reflecting the improving U.S. economic fundamentals," he said.

The question of whether the dollar's recent upturn will have an effect on U.S. exports "will be discussed within the U.S. Government," he said.

Mongolia

Diplomatic Relations Established With Armenia

OW2602141492 Beijing XINHUA in English 1350 GMT 26 Feb 92

[Text] Ulaanbaatar, February 26 (XINHUA)—The State of Mongolia established last Friday diplomatic relations with the Republic of Armenia at ambassadorial level, the Mongolian news agency reported.

Armenia has been the first country to set up diplomatic relations with Mongolia since January 11, 1992, when it changed its name from "the Mongolian People's Republic" to "the State of Mongolia."

Up to date, a total of 117 countries have established diplomatic relations with the State of Mongolia.

Donor Country Representatives Meet on Aid Issue

OW2602153692 Beijing XINHUA in English 1422 GMT 26 Feb 92

[Text] Ulaanbaatar, February 26 (XINHUA)—Representatives from donating countries met here today to discuss the issue of providing aid to Mongolia.

Mongolian First Deputy Prime Minister Dabaadorjiyn Ganbold chaired the meeting and made a report on his country's current economic situation, major goals in 1992 and utilization of the loans provided by foreign countries and international organizations.

This meeting took place in preparation for the scheduled May and September routine meetings in Tokyo and Ulaanbaatar respectively.

Representatives from the United States, Japan, Britain, Germany, South Korea, the World Bank and the International Monetary Fund attended the meeting.

Trade Minister on Economic Problems, Policies

AU2702114192 Duesseldorf HANDELSBLATT in German 27 Feb 92 p 9

["cr." report: "Substitution for Imports Is Priority Concern"]

[Text] Bonn—In the present changeover from the planned to the market economy, the priority objective of the Mongolian Government is the reestablishment of self-supply with basic foodstuffs. Trade and Industry Minister Sed-Ochiryn Bayarbaatar explained this to HANDELSBLATT.

Mongolia is currently in a deep economic crisis. Industrial production decreased by 12 percent last year, prices are exploding, the tugrik is hardly ever accepted in payment transactions, the shadow currency is the dollar. The supply of foodstuffs is also suffering from the breakdown of trade with the former Soviet Union and the Eastern European states.

Therefore, the Federal Government has provided Ulaanbaatar with another DM [German marks] 5 million in addition to the promised development aid of DM22 million and is supplying foodstuffs and medicine valued at DM2.8 million to mitigate the burning supply problems. Including other items, the total volume of the help promised by Bonn is DM37 million. Premier Byambasuren discussed with FRG Economic Cooperation Minister Spranger, who will visit Mongolia in August, how these resources will be best used. The Federal

Government is above all encouraging the continuation of the former GDR's agricultural projects and supports the establishment of private small enterprises by financing and counseling. The Mongolians not only expect an intensification of trade, but also new investment from German enterprises. They are primarily to flow into mining, gold and coal production, and copper processing. However, new ground also has to be broken in the field of telecommunications, Bayarbaatar said.

The dependence on supplies from the former Soviet Union, which exported oil products, paper, and the most important industrial products and spare parts to Mongolia, has worried the government, not only since the form of clearing with Russia was changed from the transfer ruble to hard currencies and the practice of exchanging only oil for copper by barter contracts was established. In view of the empty foreign exchange cash boxes, Bayarbaatar said that substitution for exports is an urgent economic policy concern.

Ulaanbaatar hopes to get capital for the development of industrial enterprises of its own from business banks on the one hand and World Bank and IMF loans on the other. The funds flow into the development of export-oriented enterprises that are to orientate their product range to mining and raw material deposits, the processing of agricultural and animal products, and the production of light industrial goods and are to ensure a more constant influx of foreign exchange.

As soon as the outdated agricultural equipment has been replaced and the fuel supply is ensured, grain exports can again be expected, he said. Bayarbaatar thinks it possible that Mongolia will again be able to supply itself with basic foodstuffs in two years. He said that the present practice of importing a large part of the foodstuffs is "basically wrong."

In 1991 Mongolia's foreign trade decreased by more than 50 percent, as compared to 1990, the minister stated. However, he thinks that a growth of 35 to 40 percent will again be possible in 1992. He is confident that this objective will be reached when the changeover to the dollar has been completed and the prices can be calculated on a world market level, Bayarbaatar said. This year, Ulaanbaatar wants to spend $620 to 650 million on imports, while the government expects profits of $530 million from exports.

A lack of management knowledge still causes great problems in Mongolia's first attempts in a market economy. After first mentality-related reservations against the privatization of smaller services enterprises in the first stage and larger enterprises in the second stage, which has now started, the people have come to accept the irreversibility of the process. However, there is a lack of organizational know-how and basic training in all fields, he said.

Therefore, Ulaanbaatar welcomes any form of foreign commitment in the central Asian steppe country. After the liberalization of the capital market and the opening of the first stock exchange, foreigners can now also participate in privatization, the minister explained. However, so far only Asian states have shown an interest.

MPRP Plans Redefinition of Nature, Target

*OW2602234992 Beijing XINHUA in English
1702 GMT 26 Feb 92*

[Text] Ulanbaatar, February 26 (XINHUA)—Chairman of the ruling Mongolian People's Revolutionary Party (MPRP) Budragchaagiyn Dash-Yondon said here today that the 21st congress of the party will redefine the MPRP's nature and target.

Dash-Yondon said this when delivering a work report at the congress which opened here this morning and will last till Friday.

He said the MPRP is a national democratic party, which aims at building a humane democratic society for citizens in the country.

He also pointed out a three-point target of the party's reforms.

The party will not go to the extremes of completely negating socialism, instead will absorb from its ideas for the benefits of the people; the party will stop acting as the government; and that the party will exert its influence through the parliament in the future.

Speaking on foreign relations, Dash-Yondon said Mongolia's national interests required development of diplomatic ties with neighboring countries on the basis of the principles of international norms.

He pointed out that a restoration and further development of Mongolia's traditional relationship with China will be important for the solution of the economic and social problems troubling Mongolia.

He added that the MPRP supported the government's policy of developing friendly and cooperative relations with China on the basis of mutual respect for sovereignty and territorial integrity, non-interference in each other's internal affairs and mutual benefits.

North Korea

U.S. Urged To End 'Ambition for Aggression'

*SK2802104092 Pyongyang KCNA in English
1011 GMT 28 Feb 92*

["United States Must Renounce Korean Policy Based on Position of Strength"—KCNA headline]

[Text] Pyongyang February 28 (KCNA)—The United States must give up its vaulting ambition for aggression on Korea and pull its armed forces out of South Korea at an early date, says NODONG SINMUN in a by-lined article today.

The article notes:

The U.S. authorities including Bush are insisting on the fulfillment of the "security commitments" to South Korea, continued presence of the U.S. forces and arms buildup in South Korea. This bespeaks that the United States has no intention to change its Korean policy backed by military power.

For the United States to cry that it will honor the "security commitments," seeking the continued presence of its armed forces in South Korea and military confrontation is an anti-peace, anti- reunification act to continue along the road of cold and hot war in disregard of the affirmative developments on the Korean peninsula.

It is still more unjustifiable for the U.S. to talk about "threat from the North" and "security commitments" at the moment when the situation has started moving on an affirmative course in Korea.

Never-ending outcries of the United States for "security commitments" and "nuclear umbrella protection" mean that it will persistently pursue its Korean policy based on the position of strength, captive to the obsolete viewpoint of the era of the cold war.

Fearful of world opinion, the United States pretends to affirmatively respond to the development of the situation on the Korean peninsula. But, in actuality, it has not renounced its aggressive design.

As the U.S. Defence Department in its "brushfire war scenario", a new military strategic plan of the United States after the cold war, gave priority to the operation on the Korean peninsula, the United States intends to attack socialism in Northeast Asian region and regards our country as the first target of its attack today when the confrontation between superpowers has ended and the situation in Europe changed.

It is for this reason that the United States persists in war exercises by massively hurling aggression forces into South Korea from Asian-Pacific bases this year when a new atmosphere of reconciliation and peaceful reunification is felt on the Korean peninsula.

The promise of the United States that it will honor its "security commitments" to South Korea, keeping its armed forces in South Korea and staging ceaseless war exercises, is a vicious challenge to the situation oriented to peace and denuclearisation in our country and to the demand of the times demanding independence, detente and the withdrawal of foreign troops.

U.S. Air Force, Navy Stage Air Exercises

SK2802054492 Pyongyang KCNA in English 0438 GMT 28 Feb 92

[Text] Pyongyang February 28 (KCNA)—The U.S. Pacific Airforce Command and Navy Command Wednesday [26 February] staged a large-scale joint aerial strike exercise for invading the North with the South Korean airspace as the operational theatre, according to military sources.

Formations of various types of fighter planes brought from the Japan proper and Pacific bases and above 250 fighter-bombers, assault planes, reconnaissance planes and observation planes belonging to the U.S. Airforce present in South Korea and the puppet airforce were flown in the war exercises.

The U.S. imperialists let an overseas-based "E-3a" early warning plane fly above the area adjacent to the Military Demarcation Line (MDL) for an aerial espionage on the strategic depths of the northern half of Korea.

The puppet 105mm artillery group which occupied firing positions of South Korean Kangwon Province fired some 100 shells into an area adjacent to the Demilitarized Zone along the MDL and more than 30 armed helicopters and transport helicopters belonging to the puppet army mobilized into the sky above the MDL staged aerial strike, parachuting and airlifting exercises which were aimed at breaking through the MDL and penetration into the interior.

The warplanes mobilized in the war exercises in the air above South Korea Wednesday numbered more than 600, bringing the total by that date entering February to over 14,000.

Official: Japan Unfit for UN Security Council

SK2702155292 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 24 Feb 92

[Text] The chief of the DPRK permanent mission to the UN Food and Agriculture Organization in Italy was interviewed by a reporter of radio station named (Chippa Aperta) on 18 February. He said: We are greatly interested in ratifying the nuclear safeguards accord. When the accord is ratified by the Supreme People's Assembly, the relevant document will be delivered to the International Atomic Energy Agency [IAEA]. We will allow nuclear inspection on the agreed dates with the IAEA.

He revealed the fact that Japan, instead of reflecting on its wrongdoings committed against us during its past colonial rule of our country and instead of atoning for them, not only tries to embellish and justify them, but also still entertains its wild ambitions to invade our country again. At the same time, it is accelerating its scheme to become a military power and arm itself with nuclear weapons. He said that without correctly cleansing itself of its past wrongdoings, Japan is not qualified to become a member of the United Nations Security Council.

Airing the interview on 19 February, the radio commented that Japanese militarism has emerged as a major aggression in Asia in place of the U.S. imperialism.

Visiting IAEA Experts 'Impressed' With Socialism

SK2802013392 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 27 Feb 92

[Text] Before leaving our country, experts from the International Atomic Energy Agency gave their impression of their visit.

Touring various places in Pyongyang and provincial areas, they said that they were very impressed with the true superiority of the Korean style of socialism in which the popular mass-centered politics are put into practice.

Of his honor in visiting Mangyongdae, (Franz Kangle), an expert on gamma camera [preceding two words in English], stressed: Because of my visit to the native home of Mangyongdae, I discovered how the new history of Korea began and developed. In particular, with a first-hand look at your country's shining reality, I see why the Korean people wear the portrait of the great leader on their chests.

The birth of the great leader was a shining sunrise that gave the Korean people hope for the fatherland liberation. The Korean people can enjoy happy and civilized lives today thanks to the wise leadership of the great Comrade Kim Il-song. Korea can consistently advance under the banner of socialism because it has thoroughly embodied the chuche idea which he founded in the revolution and construction.

He then continued: The chuche idea is the people-centered philosophy that man is the master of everything and determines everything. I think that some countries are having difficulties in revolution and construction because they do not have a correct guiding ideology. I think that it was entirely because of the brilliant fruition of the chuche idea that Korea was able to become a people-centered socialist country.

He said that Korea is a true country for the people where everything serves the people, and continued: I have seen in the Korean Red Cross General Hospital that Korean people receive completely free medical care in hospitals equipped with modern medical appliances. Medical treatment in capitalist societies costs an enormous amount of money, but the Korean people receive it without worrying about that, thanks to the benefits given by the state. While touring various places in your country, I had a first-hand look at the true and happy lives of the Korean people. Truly, Korea is the utopia for mankind where people-centered politics are put into practice.

(Johan Hairon), a public servant, noted that Korea is building a unique socialism and added: The people of your country are advancing firmly along the path of socialism, uniting firmly around the great leader Comrade Kim Il-song, and following the road that he directs. Korea consistently maintains chajusong. Therefore, even in today's international upheavals, Korea is successfully carrying on the revolution and construction under the banner of socialism. Resplendent is the future of Korea, a true country where everything serves the people.

Man From South Defects to North

SK2802104392 Pyongyang KCNA in English 1033 GMT 28 Feb 92

[Text] Pyongyang February 28 (KCNA)—Kim Chong-kyu, a South Korean young man aged 34, came over to the northern half of the country.

His home village is Taechang-ri, Ungchon-myo, Poryong County, South Chungchong Province. He finished a middle school and studied at a high school before serving in the puppet army for eight years.

Demobilized, he worked as a deck hand of the Panamanian-flagged ship Stainless Princess under the Daesin Overseas Seamen Employment Co. in Yongdo district, Pusan, before coming over to the North.

Explaining the motive of his coming over to the North, he said he hated the "security-oriented rule" of South Korea and did not want to live as a slave of money in the society where the gap between the rich and the poor is like between heaven and earth.

I decided to come over to the North because I did not want to live any longer in the South Korean society where man's worth is decided by money, he said, and added:

While hearing news about the North through TV and radio and touring many countries aboard the ship, I compared socialism to capitalism and, in this course, I realized that the socialist North overflowing with human feelings is, indeed, my genuine motherland.

He said he is now filled with indescribable emotions and joy at succeeding in his defection to the North.

South Counterespionage Meeting 'Serious Problem'

SK2702111692 Pyongyang KCNA in English 1008 GMT 27 Feb 92

[Text] Pyongyang February 27 (KCNA)—The South Korean authorities called a "local meeting for counter-espionage measures" in Kwangju on February 24, which ended up in an ugly scene, rejected by the participants, according to a radio report from Seoul.

They assembled some 700 people including "mayors," "county headmen" and "officials of the provincial government" of South Cholla Province at a hall that day and tried to incite a confrontational mood with the help of slides showing "prospect of the North's operation against the South" and "military preparedness."

The participants, however, contended that reunification education that conforms to the era of reconciliation and exchange between the North and the South is more urgent, saying it must be called in question that the "local meeting" was convened at a time when the atmosphere of reconciliation between the North and the South is growing, and the name of the meeting itself and what was dealt with there offer a more serious problem as they failed to "depart from the way of thinking of the cold war era."

The South Korean authorities must renounce the separatist and confrontational consciousness, immediately stop anti-North racket and implement the North-South agreements in good faith.

Sihanouk Sends Birthday Message to Kim Chong-il

SK2702215492 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 15 Feb 92

[Congratulatory message from Norodom Sihanouk, Cambodian Supreme National Council chairman, to Kim Chong-il, secretary of the Workers Party of Korea and Supreme Commander of the Korean People's Army—read by announcer]

[Text] Pyongyang

To Your Excellency Kim Chong-il, supreme commander of the Korean People's Army and dear leader of the Korean people:

Dear Your Excellency Supreme Commander

On the occasion of the felicitous day marking your glorious 50th birthday, on behalf of the Cambodian people, the Cambodian Supreme National Council, and myself, I extend the warmest congratulations to you, the Korean people's dear leader and the most dignified successor of the most distinguished His Excellency Marshal Kim Il-song, who is DPRK president and general secretary of the Workers Party of Korea Central Committee.

I wholeheartedly wish you long life, happiness, and good health. I also wholeheartedly wish you great success in implementing the historic mission of leading the strong DPRK armed forces.

Under the sagacious and patriotic leadership of His Excellency Marshal President Kim Il-song and Your Excellency Supreme Commander Kim Chong-il, the DPRK has been changed into an invincibly great strong country within a very short period. All fields of the chuche-oriented socialist construction have been advanced and developed. The DPRK has thus become a genuine paradise on earth with the greatest happiness and prosperity for the Korean people.

The DPRK's international dignity is very high. Your sagacious ideology on the chuche idea and independence has been brilliant in the world, because it is a socialist, progressive, nonaligned, and anti-imperialist ideology.

You are the great friend of Cambodia and the Cambodian people. Cambodia and the Cambodian people highly appraise you for always extending strong and consistent support to the just cause of peace, national unity, and complete independence.

Cambodia, the Cambodian people, and I myself will invariably stand on the DPRK's side and will entirely support the sacred DPRK's independent reunification cause, which has made great progress since 1991 under the wise leadership of His Excellency Marshal President Kim Il-song and Your Excellency Kim Chong-il.

I extend the noblest and warmest respect for Your Excellency.

Norodom Sihanouk, Cambodian head of state and Supreme National Council chairman

15 February 1992

Phnom Penh

Former South Leader's Remarks Criticized

SK2802121992 Pyongyang KCNA in English 1006 GMT 28 Feb 92

[Text] Pyongyang February 28 (KCNA)—The traitor Chon Tu-hwan entertained his top-class vassals in the "Fifth Republic" days including the then "prime minister", "deputy prime ministers" and "ministers" to a party in Seoul on February 24 on the lapse of four years since the "peaceful transfer of power" and said the "Fifth Republic left behind achievements and feats such as trade surplus and peaceful change of power", according to a report.

This is a shameless and ridiculous outburst which gives special edge to the anger of people.

As for Chon Tu-hwan the traitor, he is a matchless murderer and a robber of power who plunged Kwangju into a sea of blood and the protagonist in corruption who led the South Korean economy to bankruptcy and chaos with largest ever swindles.

He, in face of a stern judgement by the June resistance, was ousted from power and exiled himself to the Paekdam Temple.

Nevertheless, the traitor dared to openly talk about "feats of the Fifth Republic". This is an insult and challenge to the South Korean people.

By embellishing his sanguinary traces at a time when the "Fifth Republic" remnants are trying to stage a comeback on the threshold of the 14th "general elections", he revealed his ambition for power.

The South Korean people will never forget the crimes of Chon Tu-hwan's "Fifth Republic" dictatorship but make him pay dearly for them.

Adherence to Socialist Principle Stressed

SK2602140392 Pyongyang Korean Central Broadcasting Network in Korean 0200 GMT 23 Feb 92

[Unattributed "talk": "Let Us Firmly Arm Ourselves With Our Party's Ideology and Theory: Consistently

Adhering to the Principle of Socialism Is Basic Demand for Defending and Consummating the Socialist Cause"]

[Text] The dear leader Comrade Kim Chong-il's immortal classical work, "The Historic Lesson in Socialist Construction and Our Party's General Line", is shining as the great revolutionary banner for carrying out the socialist and communist cause. In this historic work, the dear leader Comrade Kim Chong-il analyzes the cause of the frustration of socialism in some socialist countries. He makes it clear that to consummate the socialist cause to the end, it is imperative to consistently adhere to the principle of socialism in the revolution and construction. Adhering to the principle of socialism means to thoroughly safeguard and embody the popular masses' independent demands and interests.

The dear leader Comrade Kim Chong-il has indicated: The cause of the frustration of socialism in some countries is because they failed to see the qualitative differences between socialism and capitalism and to adhere to the basic principle of socialism consistently.

To consummate the cause of socialism to the end, it is imperative to consistently adhere to the revolutionary principle in the revolution and construction. The cause of socialism is different from other social movements because of its revolutionary principle. It also pioneers its future road and vigorously advances because of the correctness and vitality of its revolutionary principle.

The history of the international communist movement shows that when the revolutionary principle is adhered to, the cause of socialism can advance, surmounting any difficulties and trials. When the revolutionary principle is ignored, though, the cause of socialism becomes discolored and stops halfway. Consistently adhering to the principle of socialism is the basic demand to consummate the cause of socialism. This is because socialism is precisely a society embodying the inherent demands of the working masses of people.

The socialist society is a society embodying the popular masses' inherent demands to eliminate the exploitation and oppression of human beings by other human beings and to live independently. The course of socialist and communist construction is precisely the course of completely realizing the popular masses' independence. A socialist society apart from the popular masses' inherent demands and basic interests cannot exist, and such a society cannot win the popular masses' confidence and support. Therefore, the working class party, which considers the complete realization of the workers' independence as its struggle goal, should resolutely safeguard the popular masses' independent demands and interests. It should solve all problems in the revolution and construction in conformity with the popular masses' basic interests.

To build socialism in conformity with the popular masses' independent demands and basic interests, it is imperative to strengthen the working class party organizationally and ideologically and to firmly guarantee the party's leadership in the revolution and construction. Also, it is imperative to constantly enhance the function and role of the socialist government, to defend and develop socialist ownership, and to resolutely struggle against imperialism.

The popular masses' independent demands and interests can be defended and realized only by the party and state government of the working class. In the party and state of the working class, there are no other demands and interests apart from the popular masses' demands and interests. The class mission of the party and state government of the working class, as well, is to thoroughly safeguard and realize the popular masses' demands and interests.

Defending and developing socialist ownership and struggling against imperialism are important requirements to realize the popular masses' independent demands. If and when socialist ownership relations are renounced and capitalist ownership relations are adopted, exploitation of human beings by other human beings will be revived and the absolute majority of the working masses will become the target of exploitation and oppression. When the popular masses fail to struggle against imperialism, they cannot block the rascals' counterrevolutionary manuevers and pressure, including their ideological and cultural infiltration. They will be destined to traverse the road of returning to capitalism. To successfully build socialism, therefore, it is imperative to strengthen the working class party and to firmly guarantee the party's leadership in the revolution and construction. It is also imperative to enhance the function and role of the socialist government, to defend and develop socialist ownership, and to resolutely struggle against imperialism. This is precisely the revolutionary principle that should be firmly adhered to in socialist construction.

In the course of building socialism, one can commit errors temporarily, but the working class party, which takes responsibility for and leads the popular masses' destiny, should never abandon this fundamental principle of socialism no matter what the conditions or environment. The conditions and environment for the revolutionary struggle can change, but the fundamental ideals and demands of socialism cannot change.

In the struggle to follow socialism and reject capitalism, if we abandon the revolutionary principle, it will be little less than surrender and defection. The historic lesson learned in building socialism confirms practically that only when we maintain socialist principles can we adhere to and complete the socialist cause. In the past, the people of some countries that were building socialism were perturbed when they ran into temporary difficulties. Submitting to the imperialists' pressure, they gradually surrendered and abandoned the revolutionary principles. These countries neglected the work of strengthening the working class party and weakened the party's leadership role and the unified guiding function of the socialist state. Moreover, they accepted the capitalist ownership and economic management method. Instead of waging an uncompromising struggle against imperialism, they compromised with it without principle. In consequence of this revisionist policy, society gradually degenerated. Introducing the so-called pluralism, under the pretext of reforming and reformulating socialism, these countries further accelerated the process of socialism's degeneration.

In socialist society, the so-called pluralism—the political method of the capitalist society—should not be tolerated. Pluralism advocates the liberalization of ideology, the multiparty system in politics, and the diversity of ownership. Pluralism is the political method of capitalist societies, which are dominated by the struggle for existence based on individualism and liberalism. Therefore, in the socialist society, which is based on collectivism and in which the popular masses' unity and cohesion is essential, pluralism, the capitalist political method, cannot be tolerated.

In socialist society, allowing the liberalism of ideology and the multiparty system in politics makes way for the counterrevolutionary maneuvers for destroying the foundation of socialist society and overthrowing the people's government. The struggle over ideology is a prelude to political struggle, and political struggle leads to a power struggle. The historical experience of the international communist movement clearly shows that if ideology is liberalized and a multiparty system is allowed, class enemies and reactionaries come forward, commit antisocialist maneuvers, and expel the working class party from power.

Because the modern revisionists, captivated by illusions about capitalism, abandoned the socialist principle and headed for full acceptance of the capitalist political method and economic system, socialism degenerated and was frustrated, and capitalism was revived. Dear leader Comrade Kim Chong-il's scientific analysis of the historical lesson about the frustration of socialism in some countries is the guiding policy that the party and the people engaged in the revolution should never forget in the long-term struggle to pioneer the destiny of mankind under the banner of socialism.

Our party has consistently maintained the revolutionary principles reflecting the fundamental demands and position of the working class and the working popular masses in socialist construction. Thanks to our party's principled struggle, the antisocialist and anti-republic maneuvers of the imperialists and the reactionaries of history were thoroughly crushed, the socialist cause was firmly defended, and, even today, when a complicated situation is developing in the communist movement, our revolution has been advancing victoriously without the slightest tilting in our country.

The party's leadership is the decisive guarantee for the victory of the socialist cause. When we strengthen the party and enhance its leadership role, we can resolutely adhere to the fundamental principle of socialism, realize the fundamental demands and interests of the working popular masses, and thoroughly crush the imperialists' antisocialist maneuvers.

Our people have a firm volition to complete the socialist and communist cause under the party's leadership to the end. As they did in the past, our people will continue upholding our party's leadership and complete the socialist and communist cause to the end.

KCNA Reviews 27 Feb Pyongyang Press

SK2702065692 Pyongyang KCNA in English 0512 GMT 27 Feb 92

[Press review]

[Text] Pyongyang February 27 (KCNA)—Papers here today carry news that Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, went round the newly built Aeguk color TV assembling plant which is on the threshold of commissioning and a photo-accompanied report that he received the congratulatory group of Koreans in Japan headed by Yi Chin-kyu, first vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon).

Appearing in the press is a report that the dear leader Comrade Kim Chong-il sent teaching tools to the Changdok school, the Samhung middle school and a newly-built senior middle school in Chilgol-tong in Pyongyang.

Carried in the press are reports that Comrade Kim Chong-il received silk banners and a gift from the Togolese People's Rally and the African regional committee for the study of the chuche idea and he received a message of greetings from the general secretary and the chairman of the national executive committee of the Communist Party of Ireland on the occasion of his 50th birthday, his birthday was grandly celebrated in different countries and the opening ceremony of the black Africa folklore museum took place in Senegal on this occasion.

NODONG SINMUN carries an article on the lapse of 56 years since the great leader President Kim Il-song put forward a strategic policy of effecting a great upsurge in the anti-Japanese national liberation struggle centering around the armed struggle at the Nanhutou meeting held from February 27 to March 3, 1936, during the period of the anti-Japanese armed struggle.

Given in the press is an account of a meeting of members of the League of Socialist Working Youth and other young people in the domain of railways to carry through teachings of President Kim Il- song.

Appearing in the press are messages of greetings sent by the Central Committee of the Workers' Party of Korea to the 3rd seminar of parties of developing countries on experience in party building and to Antonio Guterres upon his election as secretary-general of the Socialist Party of Portugal.

Econews of the press includes reports about brisk preparations for sowing on rice seedling beds at cooperative farms across the country.

Pak Han-sop who was the owner of the Kumgang car interior in Seoul and his family came over to the northern half of Korea, says the press.

According to the press, a meeting of the National Alliance for the Country's Reunification (NACR) for support to and complete realisation of the North-South agreement and the joint declaration on denuclearisation was held in Tokyo, the office of the overseas headquarters of NACR moved to Tokyo from Berlin and the overseas headquarters of NACR published at a press conference a letter of request of the 70 million fellow countrymen to the authorities of the North and the South.

Foreign media reported about the adoption and effectuation of the North-South agreement and the joint declaration on denuclearisation and the representative of the international association for training, education and development at a meeting of the U.N. Commission on Human Rights asserted that the drafting of Korean girls as "comfort girls for the army" must not be forgotten and the compensation to them must not be ignored, says the press.

Carried in the press are speeches of delegates of foreign political parties and organisations at an Asian regional solidarity meeting for peace and reunification of Korea.

A U.S. submarine invaded the territorial waters of Russia and the Council of the Arab League denounced Israel's illegal acts in the occupied Arab land, reports the press.

28 Feb Press Review

SK2802055192 Pyongyang KCNA in English 0451 GMT 28 Feb 92

[Press review]

[Text] Pyongyang February 28 (KCNA)—Papers here today carry a message of greetings sent by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, to Mohamed Abdel Aziz, president of the Saharan Arab Democratic Republic and secretary general of the Polisario [Popular Front for the Liberation of Saquia El Hamra and Rio de Oro] Front, on the occasion of the 16th anniversary of the proclamation of the republic.

Given in the press is an account of a meeting held to mark the 10th anniversary of the publication of "On Conducting Scientific and Technological Research in Keeping With the Situation in Our Country," an immortal classical work of the great leader President Kim Il-song.

The dear leader Comrade Kim Chong-il sent thanks to the agricultural working people of those units which set examples in assisting the People's Army, according to the press. Carried in the press are messages of greetings Comrade Kim Chong- il received from foreign party leaders, a message of greetings to the WPK Central Committee sent by the Central Committee of the Spanish Communist Party, an account of celebrations held in foreign countries and special write-ups given by foreign news media on the occasion of his 50th birthday.

NODONG SINMUN carries a message of greetings sent by the Central Committee of the Workers' Party of Korea to the Central Committee of the Botswana Democratic Party on the occasion of the 30th anniversary of its founding.

MINJU CHOSON comes out with an article which says Comrade Kim Chong-suk, an indomitable communist revolutionary fighter, brought up members of the children's corps as creditable reserves of the Korean revolution during the period of the anti-Japanese armed struggle.

NODONG SINMUN editorially calls upon our people to cherish higher pride of living and making revolutions in the bosom of the Workers' Party of Korea and MINJU CHOSON underscores the need for the people's committees at all levels to strengthen their power functions.

NODONG SINMUN gives accounts of a national seminar on the chuche idea held in Kathmandu and a meeting held to mark the 15th anniversary of the formation of the Portuguese Committee for the Independent and Peaceful Reunification of Korea.

Econews of the press includes a report about innovations in the production of electricity and coal.

NODONG SINMUN comes out with an article titled "It Is Basic Way for Successful Acceleration of Socialist Construction To Strengthen the Driving Force and Enhance Its Role".

The paper carries news that the presidents of the Togo and Namibia met the DPRK ambassadors to their countries and the general secretary of the Socialist Party of Portugal met a delegation of the Workers' Party of Korea.

A contact between the delegates of both sides was held to discuss the question of forming and operating the North-South nuclear control joint committee, says the press.

NODONG SINMUN runs a commentary denouncing the South Korean authorities for turning down the DPRK's offer at the North-South high-level talks to jointly cope with Japan's nuclear arming and "informing" Japan of it.

South Korean news columns of the press include reports that the director of the research centre of the stone pagoda construction called for reunification through confederacy and the abrogation of the "National Security Law" and opposition forces criticized the "Democratic Liberal Party" for delaying the "elections of chiefs of local autonomous organisations".

NODONG SINMUN rounds up voices of world political and public figures highly praising the advantages of our peculiar socialism.

Foreign political and public figures praised the fair solution of the nuclear problem on the Korean peninsula as a brilliant victory of the independent line, according to the press.

The press carries accounts of the 8th meeting of the UNCTAD [United Nations Conference on Trade and Development] and the 4th meeting of the Supreme National Council of Cambodia.

NODONG SINMUN reports that the president of the State of Palestine exposed the danger of Israel's construction of "settlements", the Nigerian president called for the writing off of Africa's foreign debts and the Swiss paper LE NOUVEAU QUOTIDIEN disclosed Japan's schemes for nuclear arming.

The paper runs an article urging the United States to discard its Korean policy based on the stand of strength and to withdraw its troops from South Korea at an early date.

Comparison of 2d Nuclear Control Contact

SK2702143392

Pyongyang Korean Central Broadcasting Network in Korean on 27 February carries a seven-minute report on DPRK delegate Choe U-chin's news briefing on the 27 February DPRK-ROK contact at Panmunjom to discuss the formation and operation of the North-South nuclear control joint committee.

This version has been compared with the Pyongyang KCNA version entitled "Delegate on 2d N-S Nuclear Control Contact," published in the 27 February East Asia DAILY REPORT, page 9, revealing the following variation:

Column two, paragraph four, only sentence reads: ...of the contact. [new paragraph]

First of all, he said that this contact between delegates of both sides was significant, being the first contact since the North-South Agreement on Reconciliation, Nonaggression, Cooperation and Exchange and the Joint Declaration on the Denuclearization of the Korean Peninsula were brought into effect at the sixth round of the North- South high-level talks in Pyongyang. In particular, he stated that the proclamation of the Joint Declaration on the Denuclearization of the Korean Peninsula and its entry into the stage of implementation is an epoch-making event marking a milestone in rescuing our people from nuclear calamities and in achieving the nation's peace and peaceful reunification. He said: Today all peaceloving people of the world, not to mention all the fellow countrymen, are pleased with the fact that the atmosphere and conditions for fairly and completely resolving the nuclear issue on the Korean peninsula are maturing. They want to see practical steps taken at an early date to implement the joint declaration. By reflecting such aspirations at home and abroad at the contact, we drew attention to the shortcomings and debatable points of the draft "agreement on the formation and operation of the South-North Nuclear Control Joint Committee" brought forward by the South side at the preceding contact. [new paragraph]

To begin with,...(supplying additional material)

Paragraph thirteen, last sentence reads: ...the active list. [new paragraph]

This is because those who have better professional knowledge of the issue of nuclear weapons and nuclear bases than any other people and those who have a good understanding of the U.S. Army's nuclear weapons and nuclear bases are the generals and officers on the active list. [new paragraph]

Noting that the...(supplying additional material)

South Korea

UN Sanctions Sought if North Delays Inspections

SK2802125492 Seoul YONHAP in English 1237 GMT 28 Feb 92

[Text] Seoul, Feb. 28 (YONHAP)—South Korea will seek international sanctions against North Korea through the U.N. Security Council if the North fails to accept outside inspection of its nuclear facilities by June at the latest, a highly-placed government official said Friday.

The official said the government had decided on such strong measures, because North Korea was continuing nuclear development despite the joint declaration on nuclear-free Korean peninsula it signed with South Korea on Dec. 31 last year. North Korea is expected to complete nuclear reprocessing facilities by June, he added.

South Korean and U.S. officials would discuss joint steps against North Korea's nuclear program in Seoul next month, he said.

James Lilley, assistant secretary of defense for international security affairs, will visit Korea March 4-6 and Richard Solomon, assistant secretary of state for Asian and Pacific affairs, from March 14-17, the official said.

"Our government believes that all inter-Korean problems, including the nuclear issue, should be settled by South and North Korea. But North Korea did not show any sincerity in the inter- Korean contact at (the truce village of) Panmunjom on the nuclear issue Thursday [27 February]," he said.

"Even if the (South-North Korean) Joint Nuclear Control Committee is formed before March 18 as planned earlier, prospects are very dim for early inspection of North Korea's nuclear facilities, whether it be pilot inspection or mutual inspection."

He said the government had no choice but to bring the issue to the U.N. Security Council if North Korea did not accept nuclear inspection by June.

The official said North Korean Ambassador O Chang-nim's recent remark at the International Atomic Energy Agency's [IAEA's] Board of Governors' meeting seemed to be designed to evade the international pressure for early inspection.

O said his government would ratify the nuclear safeguards agreement of the IAEA in April and would accept international inspection in June.

The official said the failure to resolve the nuclear issue was most likely to adversely affect the smooth implementation of inter-Korean agreements on economic cooperation and other matters.

"The three joint committees to be formed in March may discuss pending issues, but resolution of those issues will have to be linked with the nuclear issue," he said.

Another government official said it was doubtless that North Korea was going ahead with its nuclear development.

"The government believes North Korea will complete the nuclear reprocessing facilities in Yongbyon and start its pilot operation around June. This is why the government has set the June deadline for inspection," the official said.

Nuclear Issue 'Haunting' Inter-Korean Relations

SK2802014992 Seoul THE KOREA TIMES in English 28 Feb 92 p 2

[By staff reporter Kim Chang-yong]

[Text] The nuclear issue is haunting inter-Korean relations that otherwise would be expected to see unprecedented smooth progress with the Agreement on Reconciliation, Nonaggression, and Exchanges and Cooperation and the Joint Declaration for Denuclearization of the Korean Peninsula taking effect last week.

South Korea seems to be caught in a trap of its own making in the course of rapprochement with the North and Pyongyang is, meanwhile, playing high-stakes poker in regard to its giving permission for outside inspection of its nuclear facilities.

It is thus likely to take a longer period of time before both sides erase the bottleneck and jump into reconciliation and cooperation, analysts here say.

Some pessimists even predict that the fragile accords would not be worth the paper they were written on as past agreements were unless they build up confidence and translate them into action with all sincerity.

Southern and Northern delegates at the prime ministers' talks, who paved the way for the effectuation of the two landmark pacts several days ahead of the Feb. 18-21 Pyongyang session, yesterday failed to narrow their differences on the modus operandi of the joint denuclearization declaration.

They are scheduled to meet again on Tuesday but government officials and informed observers in Seoul doubt that the negotiators will reach agreement on practical arrangements for mutual inspections of nuclear installations by the other side.

A top official at the Unification Board said that the only result to come out of the meeting, if any, was to reaffirm that a joint nuclear control commission would be set up by March 18, one month after the declaration came into force, as it stipulates.

The six-point declaration provides for the establishment of the commission with full delegation of power to map out schemes for simultaneous inspections of military and civilian nuclear installations by experts from the other side, separate from checks by the International Atomic Energy Agency [IAEA].

The North's delay in opening its nuclear facilities to South Korean and international inspection dealt an unexpected blow to Seoul's timetable for rapport with Pyongyang, which the No Tae-u administration had vigorously pursued for its own political interests.

The No administration has set tangible progress in South-North dialogue as one condition for Japan's approach to Pyongyang, not to mention the North dropping its nuclear development program.

The Toshiki Kaifu government, which had a feeble foothold in the domestic political theater, had been upset with Seoul's apparent interruption of its foreign policy and moved to normalize ties with the communist Kim Il-song regime for its own diplomatic achievements. Normalization with the North and recovery of four Northern Territories islands from the former Soviet Union were two priority tasks of the Japanese foreign policy.

The situation has changed now. Following strong pressure from the United States, the Kiichi Miyazawa administration has turned passive in establishing diplomatic ties with the North and the fifth normalization talks ended in vain.

Washington also put the brake on Seoul's peace overtures toward Pyongyang.

While delivering a naked warning against Pyongyang's volatile nuclear program in a rare, high-level meeting between Arnold Kanter, undersecretary of state for political affairs, and Kim Yong-sun, an influential North Korean diplomatic policy-maker, in Washington on Jan. 22, the U.S. asked Seoul to reschedule its inter-Korean reconciliation plans.

Foreign Minister Yi Sang-ok met with U.S. Secretary of State James Baker on the occasion of his participation in an international conference in Washington on aid for former Soviet republics and fine-tuned the pace of Seoul's bid for courting the Stalinist regime in the North.

The No administration calmed down euphoric anticipations for a Seoul-Pyongyang thaw by announcing its determination to slow down arrangement for a much-touted No-Kim summit a couple of days before the Seoul delegation embarked on its Pyongyang trip for the sixth round of high-level meetings.

The United States threw a monkey-wrench in its military ally's independent and prompt reconciliation with the North, just one of the few Third World countries suspected of going nuclear, sending its senior national-security official, Douglas Paal, to Seoul to meet top government officials.

The North's attempt to develop a nuclear weapons capability no longer remains a bilateral concern, but a bull's eye of international interest with the IAEA pushing ahead for forceful inspections of its facilities through a United Nations Security Council resolution.

The North, which has tried to use its opening of the nuclear facilities as effective leverage to get closer to Western countries, backtracked from the December accords. Kim Il-song expressed doubts about the removal of all U.S. nuclear arms from the South, announced by No and confirmed by American leaders last December, when he met with South Korean Prime Minister Chong Won-sik on Feb. 20.

How long it will remain reluctant to nuclear inspections will depend on how it survives an economic pinch.

Economic Ties With North Linked to Nuclear Issue

SK2802120092 Seoul CHUNGANG ILBO in Korean 28 Feb 92 p 1

[Text] The ROK Government has decided to link North-South economic cooperation to the nuclear issue, unless the North Korean side assumes a clear-cut attitude on nuclear inspections. Based on this policy, the ROK Government has decided to withhold a visit to North Korea by a team of working-level officials to study North-South joint venture plants in Nampo, North Korea.

Daewoo and other relevant companies were scheduled to send the team to North Korea this month.

A high-ranking government official said on 28 February: "The ROK Government is strongly suspicious of North Korea's attitude on the nuclear issue." He also said: "The government cannot help putting a brake on North-South economic exchange and cooperation, in which the North Korean side has shown strong interest, unless it accepts inspection of its nuclear facilities, a target of international suspicion."

This official also said that the government had already adopted the policy of linking the nuclear issue to economic cooperation and that Prime Minister Chong Won-sik, in a 25 February speech at a meeting with representatives from the five provinces in the North, had clearly said that the government would link North-South economic cooperation to the nuclear issue and the reunion of separated families. He also said that North-South economic cooperation includes not only the Nampo project but also the Tumen River area development project, which the UN Development Program has been promoting. He also said that since the North and South had agreed to form a Joint Nuclear Control Committee by 18 March, both sides generally agreed to form it about 16 March. He also said: The North Korean side rejected our proposal for trial nuclear inspection. We advanced the proposal to conduct simultaneous inspection by June by providing regulations on mutual inspection, which was stipulated in the denuclearization declaration, within one month of the Joint Nuclear Control Committee's formation. After rejecting this proposal, as well, the North Korean side advanced its own proposal. In this way, it is resorting to delaying tactics.

The government official also said that the government would reexamine the visit to North Korea by South Korean working-level businessmen, basing it on seeing progress in the delegates' contact in Panmunjom on the nuclear issue and Joint Nuclear Control Committee discussions on regulations for mutual inspection. In this way, he hinted that economic cooperation would be withheld for a considerably long time.

Government Plans Statistical Exchange With North

SK2702085292 Seoul YONHAP in English 0659 GMT 27 Feb 92

[Text] Seoul, Feb. 27 (YONHAP)—The South Korean Government plans to exchange statistical information and data with North Korea this year in an effort to cement the basis for economic cooperation between the two sides, the Office of Statistics said Thursday.

In a report filed at the 72nd meeting of the Statistics Council, a governmental advisory group, the office said it would seek to form a statistical affairs subcommittee when the two Koreas establish a working-level economic cooperation committee.

The office is considering introducing a new standard for statistical comparison that will enable the two sides compare statistical data of either side precisely, it was also said.

U.S., Russian Envoys on DPRK Inspections

SK2802021892 Seoul YONHAP in English 1240 GMT 27 Feb 92

[Text] Kwangju, South Korea, Feb. 27 (YONHAP)—The United States and Russia want to see stability in Northeast Asia and believe North Korea's unreserved implementation of the international nuclear safeguards agreement will be essential in this regard, U.S. and Russian ambassadors to South Korea reportedly said here Thursday.

Speaking at a symposium sponsored by the vernacular daily KWANGJU ILBO, U.S. Ambassador Donald Gregg said a thorough and open inspection of North Korea's nuclear facilities would be the only way by which the North could join the Northeast Asian community economically and diplomatically.

The United States will continue its military relations with this region despite the end of cold war, because the U.S. presence has served as a deterrence to regional adventurism and contributed to stability which is indispensable for economic growth, Gregg was quoted by the daily as saying.

Russian Ambassador Oleg Sokolov said one of the diplomatic goals of his government was to support South and North Korea to resolve the Korean question, the last remnant of cold war, at the earliest possible date.

Noting with satisfaction North Korea's signing of the international nuclear safeguards agreement with the International Atomic Energy Agency, Sokolov said the North should now set up and ratify such an agreement with South Korea.

Russia wants North Korea to abide by the international agreement "unconditionally and without delay," he said.

He said Russia would pursue an ideology-free, realistic and practical diplomacy toward Korea.

Russia will maintain friendly and cooperative relations with both South and North Korea and will categorically oppose tension in the Korean peninsula, he said.

He said stability in Asia and the Pacific was vital for the long-term economic development of Russia.

Touching on Korea's market opening, Gregg said the United States would not pressure South Korea to open its rice market in the days to come, as it did not in the past.

The Korean Government had better draw out wise judgments preparing for the future agricultural market opening in compliance with the results of the Uruguay Round (UR) talks, he said.

The U.S. ambassador said that the conclusion of the talks was essential to maintain the free trade system in the world.

Seoul To Miss GATT Deadline for Market Plan

SK2802041092 Seoul YONHAP in English 0151 GMT 28 Feb 92

[Text] Seoul, Feb. 28 (OANA-YONHAP)—South Korea will not submit its agricultural market opening plan to the General Agreement on Tariffs and Trade (GATT) by the March 1 deadline, assistant Agriculture, Forestry and Fisheries Minister Kim Han-kon said Thursday.

The European Community and other major negotiating countries are expected to break the deadline set by GATT Director-General Arthur Dunkel, and so Korea will wait and see when they present their plans, he said. There have been reports that the government will throw open Korea's agricultural market except for two or three items such as rice, but Kim firmly denied the reports and said the government had not yet made a final decision.

Uruguay Round countries are still showing conflicting views on agricultural market opening measures. Switzerland, for instance, is against any market opening for grain while Canada insists that a country can restrict imports when it reduces its domestic production rate, ministry officials said.

Most of the negotiating countries are delaying submission of their plans, and rumors abound in Geneva that Dunkel may possibly extend his March 1 deadline, the officials said.

This would throw back Dunkel's original plan to conclude Uruguay Round negotiations by April, possibly to next year, they said.

Visa Talks With Russia Open

SK2402062692 Seoul YONHAP in English 0512 GMT 24 Feb 92

[Text] Seoul, Feb. 24 (YONHAP)—South Korea and Russia began a working-level meeting to draft a memorandum of understanding on visa issuance here Monday in an effort to simplify visa procedures, the Foreign Ministry said.

In the two-day meeting, the two sides will discuss ways to speed up and simplify the procedures for visa issuance.

The Korean side is headed by Ham Myong-chol, the Ministry's deputy director-general of treaties, and the Russian delegation is led by Anatoliy Sirotyuk, consul general in the embassy in Seoul.

Memorandum Initialed

SK2802154192 Seoul YONHAP in English 0601 GMT 28 Feb 92

[Text] Seoul, Feb. 28 (OANA-YONHAP)—South Korea and Russia initialed a memorandum of understanding on visa issuance Friday that shortens the required time for visa issuance and allows multiple entry.

The document was initialed by Ham Myong-chol, deputy director- general of the Foreign Ministry's Treaties Bureau, and Anatoliy Sirotyuk, counsellor at the Russian Embassy here.

The memorandum shortens the time between application for a visa and when it is issued. It allows multiple-entry visas for long- staying visitors such as journalists and trade officials.

Seoul and Moscow normalized ties in September 1990 and they exchanged more than 19,000 visitors last year.

Seoul Seeks Joint Development of SRV Oil Field

SK2802005092 Seoul THE KOREA HERALD in English 28 Feb 92 p 6

[Text] Korea asked Vietnam yesterday to consider its participation in the development of the Big Bear oil field, about 230km off the southern coasts of Vietnam.

In a meeting with visiting Vietnamese Minister of Heavy Industry Tran Lum in the ministry's conference room, Minister of Energy and Resources Chin Nyom said joint development of the oil field would boost economic cooperation between the two countries, a ministry official said.

A Korean consortium consisting of eight companies, including Lucky-Goldstar, Daesung, Samwhan and the state-run Korea Petroleum Corp., has been pushing to join the oil exploration project.

Experts estimate oil reserves in the Big Bear oil field amount to 750 million to 1 billion barrels.

Meanwhile, Vietsovpetro, a 50-50 joint venture set up by Vietnam and the former Soviet Union, selected three companies—the Korean consortium and Japan's Marubeni and Mitsui in preliminary international bidding for the project.

The Vietnamese minister, who arrived in Seoul Wednesday for an eight-day visit, asked Korea to train 300 Vietnamese workers over three years starting next year.

He also wanted Korean companies to participate in joint projects such as the construction of power plants, automobile factories and steel mills.

British Minister Lord Caithness Arrives in Seoul

SK2602082092 Seoul YONHAP in English 0810 GMT 26 Feb 92

[Text] Seoul, Feb. 26 (YONHAP)—Lord Caithness, Britain's minister of foreign affairs, [as received] arrived in Seoul Wednesday on a tour of the Far East for meetings with South Korean Government officials.

Lord Caithness, next in rank to the foreign secretary, is to meet with Foreign Minister Yi Sang-ok Thursday to discuss inter-Korean relations, including North Korea's acceptance of nuclear inspection and ratification of the nuclear safeguards accord it signed last month.

The two will talk about a visit by Prince Charles currently scheduled for November and strengthening ties between Korea and the European Community.

Meets Foreign Minister

SK2702085092 Seoul YONHAP in English 0613 GMT 27 Feb 92

[Text] Seoul, Feb. 27 (OANA-YONHAP)—South Korea and Britain agreed Thursday to hold regular foreign ministers' talks and strengthen trade and other economic ties.

Visiting British Minister of State for Foreign Affairs Lord Caithness paid a call on South Korean Foreign Minister Yi Sang-ok to discuss bilateral issues.

Yi suggested that the two countries open regular foreign ministers' talks and Lord Caithness fully agreed with the idea, Ministry officials said.

Yi explained the results of the sixth inter-Korean prime ministers' talks and South Korean position on nuclear issues and the British minister said he supports South Korea.

They also discussed Prince Charles' visit here this November.

Taiwan Hopes To Maintain Diplomatic Relations

SK2802022392 Seoul YONHAP in English 1258 GMT 27 Feb 92

[Text] Seoul, Feb. 27 (YONHAP)—Taiwan hopes to maintain diplomatic relations with South Korea even after Korea established formal ties with China, Taiwanese Interior Minister Wu Po-hsiung said here Thursday.

Wu said there would be no need for South Korea to hasten establishment of diplomatic relations with China, as the two countries had substantial relations already.

He said there was no new gains South Korea could get by setting up formal ties in a hurry.

Wu came to Korea Wednesday to accept a honorary doctorate in law from Wongwang University in Iri. He left Seoul Thursday.

An official at the Taiwanese Embassy in Seoul said the future of the bilateral relations was entirely up to the Korean Government.

North Promises Access to Special Economic Zone

SK2802072092 Seoul YONHAP in English 0622 GMT 28 Feb 92

[Text] Seoul, Feb. 28 (YONHAP)—North Korea will allow foreign companies, including South Korean firms, open access to a special economic district it hopes to create near the northeastern regions of Sonbong and Najin, a North Korean official told YONHAP by telephone Thursday afternoon.

"We will allow even 100-percent foreign investment as well as joint ventures," said Yi Song-tok, in Seoul for an international conference on the Tumen River Basin Project. Yi is a section chief at the Administration Council Secretariat.

Foreign firms would be given tax reductions or exemptions and assurances of free remittance of profits, he said.

Pyongyang's Administration Council adopted Dec. 28 last year a plan to build a free economic zone in the Sonbong and Najin area, and to allow foreign companies free industrial activities.

"The plan is to facilitate the expansion of economic exchanges with other Northeast Asian countries and expedite the development of the Tumen River basin," Yi said.

South Korean companies will be accorded access to the economic zone, but "we cannot give the South Koreans special favors not granted to other foreign industries," he said.

The project is planned for some time in the next 18 years, depending on progress in the Tumen project, which is being managed by the U.N. Development Program (UNDP), and Yi said it would be pursued in a way that benefitted all countries taking part in the Tumen project.

*North Said Concentrating on PC Development

922C00868A Seoul TONG-A ILBO in Korean 12 Dec 91 p 10

[Unattributed article: "North Korea Concentrates on Manpower Training for Personal Computer Development"]

[Text]Substance of the Computer Industry and Manpower Development

As a follow-up to its first and foremost goal of computerizing all industries during the Third Seven-Year Plan period (1987-1993), North Korea is reportedly currently concentrating on the development of personal computer (PC) technology and the expansion of the use of PC's.

NAEWOE TONGSIN quoted a North Korean broadcast as reporting that North Korea set up a computer personnel training center at Kimchaek University of Engineering in April with PRC technical assistance, followed by the establishment of the Pyongyang Program Center in July, expanding the existing Pyongyang Computer Management Company.

Judging from the fact that North Korea set up these two facilities this year with the assistance of China and the UN Development Program (UNDP), their establishment is interpreted as an indication of the fact that North Korea has embarked upon actively introducing outside assistance for the purpose of promoting research and development and personnel training in the computer field.

In computer hardware technology, North Korea is said to be at the level of eight-bit class assemblage. North Korea produced its first eight-bit computer, "Ponghwang [Peacock] 4" on its own in 1982. Later, in 1987 it set up a pilot plant producing IC's for a 16-bit computer with UNDP assistance. More recently, it has been building semiconductor chip factories in Pyongyang and Haeju.

In addition, North Korea developed its first word processor, "Changdok," as late as last September, and naturally its software industry is yet to be energized. Nevertheless, more and more attention is being paid to the software field as indicated by the fact that 440 or more programs were entered in the national computer program competition held late last year. In his work, *North Korea's Basic Research on Industrial Technology,* published last month, Koryo University Professor Paek Yong-hyon (metal engineering) said that "North Korea has succeeded in producing small- and medium-capacity integrated circuits (IC's) and is now capable of manufacturing computers and factory robots." He predicts that "with the North Korean leaders professing their desire to actively promote the computerization and automation of production processes, it is expected that the process of computerization and automation in North Korea will go through the application stage in the first half of the 1990's and enter the stage of practical use in various sectors in the latter half of the decade."

* Food Shortages Threaten North's Stability

922C0080A Seoul PUKHAN in Korean No 12 Dec 91 pp 84-92

[Article by Chong Sang-yong, chief editor, NAEWOE TONGSIN: "Extent of North Korea's Agricultural Failure Which Threatens Regime's Survival"]

[Text] *Terraced patches were created by reclaiming mountain ridges wherever the hand of labor could reach in order to expand arable land which is limited in acreage and to increase the output of corn, a stable crop. The terraced patches caused not only the devastation of forests, however, but also an effluence of soil and a rise in the river beds following floods, thereby causing a lot of damage to the crops on level land as well.*

Slogans Everywhere Call for Food Conservation

In striking contrast to the trouble caused by an oversupply of rice in South Korea, the food shortage in North Korea is reportedly causing daily aggravation.

Recent defectors from North Korea and Korean residents in Japan and China who recently visited North

Korea all agree that the suffering of North Koreans from food shortages is serious beyond imagination.

What draws attention in the reports of these defectors and visitors is the fact that "have-two-meals-a-day" and "tighten-your-belt" campaigns are underway everywhere in North Korea. Slogans calling for food conservation drives are seen everywhere in cities and the countryside alike, indicating that this drive is spreading throughout the entire society.

A Korean resident in China said that the hunger of North Koreans was so severe that it could not be watched without tears.

For instance, he said, in compliance with the campaign, adults may get by on two meals a day by tightening their belts, but they can not bear seeing their children have only two meals a day, so they give their children a corn cake or one or two boiled potatoes for their lunch when they go to school.

In the case of local government officials who have to travel to Pyongyang, they are required under the orders of government authorities to carry food with them instead of the food tickets they are ordinareily supposed to carry when they make an official trip. As a result, those local officials who have no food to carry often have to cancel or postpone their trips.

The food supply situation for the Pyongyang residents is equally strained. They say the situation has rapidly deteriorated since the 1989 Pyongyang Festival. The daily ration has been cut down uniformly by 100 grams per person, and North Koreans often complain that the ratio of rice to cereals in the ration is so low that you rarely see people eating rice.

According to a Japanese traveler who visited North Korea early this year, soldiers on active duty, unable to bear the hunger any longer, plunder cooperative farms of food and sometimes steal pigs, chickens, and other domestic animals for their meals. This kind of pillage is so widespread that he witnessed such cases as many as 16 times in a month. According to the same traveler, the food shortage causes social-pathological cases from time to time. Employees of Kimchaek Iron and Steel Complex, the largest steel mill in North Korea, were mobilized in the 50,000-unit housing construction project in Pyongyang, and 50 of them were arrested and punished late last year because they were so disappointed with the scanty food ration that they threw sand into machines to deliberately cause a mechanical breakdown.

In Haeju Steel Mill, the students who were forced to remain after being placed there in labor mobilization during the summer joined some of the mill workers in a sabotage in which they threw foreign objects into the machines or broke bolts and nuts. More than 70 saboteurs were punished, and one-third of them were sent to a concentration camp.

People of the Korean ethnic group in the Chinese city of Dandong, which is situated across the North Korean city of Sinuiju travel between the two cities quite often. As confirmed by them, a large number of North Korean farmers receive a monthly food ration of less than 20 kilograms, so, quite a lot of them secretly sell herbs and vegetables to the Korean ethnic group to earn extra dollars. North Korean fishermen also illicitly sell fish and other marine products to Chinese merchants in the dead of night.

Reportedly, the dollars obtained in exchange or the money earned through smuggling is spent in buying daily necessities or food.

These kinds of irregularities and crimes related to food shortages account for the largest portion of all crimes in North Korea. This social-pathological phenomenon has recently been widespread in various forms, such as food theft, food plunder, food embezzlement, and food-related misfeasance.

Despite the seriousness of the food shortages in North Korea, the North Korean authorities are still habitually speaking of a meal of "rice with beef soup" without regard to the stark reality, and this paradoxically magnifies the image of the dire misery.

Food Shortage Critical

Addressing the 30 January Pyongyang report meeting this year marking the 45th founding anniversary of the Union of Agricultural Working People of Korea (UAWPK), UAWPK Chairman Pak Tong-su said that "we must raise production levels without fail by working with the revolutionary spirit." He then urged that "we redouble our efforts to brilliantly put into reality the desire of the leader and the dear leader to fulfill as soon as possible the wishes of our people so that they would eat polished rice with beef soup for their meals, wear silk clothing, and live in tile-roofed homes."

It was during the period of post-war reconstruction following the end of the Korean war that North Korea put up the slogan of "eating rice with beef soup" for meals. This slogan began to appear in official reports and documents in the 1950's. Thus North Korea has been harping on the same slogan for over 40 years.

When the Korean delegation indirectly offered to give rice to North Korea as an aid during the high-level North-South talks last year, Premier Yon Hyong-muk, head of the North Korean delegation, said that "we have no worry whatsoever about our food supply" and indirectly boasted of the achievements of North Korea's chuche-oriented agriculture. As a matter of fact, what North Korean defectors or travelers returning from North Korea say is diametrically different from this contention of the North Korean delegate.

During the 1984 flood in Seoul, North Korea sent 50,000 soks of rice to South Korea for an ulterior political purpose. Last year the Korean Christian community began to send "rice of love" to North Korea.

When the "rice of love" sent from South Korea was belatedly reported in the press, North Korea fulminated, "we will send the rice back." But, the rice has not been returned yet. It was nothing more than a bold face designed to save face and keep the facade of self-respect.

Despite this bold face, in January the North Korean authorities conveyed through a Singapore merchant its desire to buy 100,000 tons of rice from South Korea.

North Korea said it wanted to buy rice at $100 per ton, or less than half the international price of $385 per ton, in the form of barter trade by paying the bill with North Korean primary products.

On four occasions, between last December and January this year, North Korea expressed its desire to buy 435,000 tons of South Korean rice.

North Korea at last agreed in April to exchange its cement and anthracite coal for South Korean rice. Before this deal was consummated through a Korean resident in Japan after many difficulties, North Korea had offered to import between 500,000 and 1 million tons of rice from South Korea.

With more crimes being caused by the food shortage and with the grumbling of the populace getting louder about the hardships in life, the North Korean authorities belatedly began to tackle the food crisis in earnest.

During his visit to China in November, Premier Yon Hyong-muk requested $150 million in food aid and signed an economic agreement which guaranteed Chinese assistance for the next five years.

In addition, during his stay in Thailand from 29 January through 1 February, Premier Yon Hyong-muk offered to buy 500,000 tons of Thai rice this year and an additional 1 million tons of rice in the next two or three years. He also negotiated rice imports from Malaysia and Indonesia during his tour of these two countries. Thus, apparently Yon Hyong-muk concentrated on rice diplomacy. When Kim Il-song visited China in October, he strongly requested Chinese economic assistance to North Korea, reportedly placing emphasis on food aid.

From all this, attention is bound to be focused on how serious North Korea's food shortage is. The Socialist Economy Research Institute under the USSR Academy of Social Sciences reported late last year that North Korea imported 1.5 million tons of food stuffs in 1989, and will have to import between 2.2 to 2.5 million tons of food in the future because of the bad crop in 1990.

In particular, the institute expressed fears that a famine might hit North Korea in the spring of 1991, and that it is highly possible that North Korea will ask international organizations for food aid. As far as the USSR is concerned, however, it is almost impossible to provide any food aid, the institute said.

1 Million Tons Needed To Alleviate Food Shortage

According to materials published by the National Unification Board, in 1989 North Korea produced a total of 5,482,000 tons of grain in terms of non-cereal grain, including 2.16 million tons of rice, 2.68 tons of corn, and over 600,000 tons of other grains. This figure represents an increase of 5.2 percent over 5.5 million [figure as published] tons produced in 1988. The total 1990 grain output was only 4,812,000 tons, including 1,932,000 tons of rice, 2.38 million tons of corn, and 500,000 tons of other grains, however.

The 1990 figure is 12 percent less than the 1989 figure. The reason for the drop was the low temperature in the sowing season and the flood damage caused by the torrential rains in August.

The water level of the Taedong River in August was reportedly the lowest in 23 years. At any rate, North Korea has suffered from a food shortage for the past several years due to bad crops, and the unprecedentedly poor grain production last year aggravated the food shortage.

The minimum amount of food annually needed in North Korea is estimated at 6.5 million tons including seeds, feed grain, storage in reserve, and losses. With this amount as a standard, North Korea's food supply was short by 1.3 million tons in 1980 and 1 million tons in 1989.

If the food ration is supplied to the people in North Korea according to the stipulated amount, the shortage by the 1991 harvest season is estimated at 1.6 million tons. Even considering food consumption control measures such as the two-meals-a-day campaign, a minimum shortage of 1 million tons is unavoidable.

The most fundamental factor behind the critical food shortage in North Korea is the low level of agricultural production caused by natural calamities and other factors. While pursuing an agricultural policy based on a totalitarian planned economy which ignores the profit motives and initiative of the individual, North Korea has clung to false propaganda, claiming that it overfulfilled "the yearly production goal" each year.

Table 1. Estimated North Korean Grain Output in Recent Years (in 10,000 tons)

Year	Gross Output	Rice	Corn	Others
1985	503	201	253	49
1986	483	201	237	45
1987	495	203	241	45
1988	521	210	250	61
1989	548.2	215.9	268.1	64.2
1990	548.2	193.2	238	50

The agricultural structure in North Korea is one of centrally controlled collective farming called the Chongsan-ri work method. Under this system private ownership of all farm implements such as sickles and weeding hoes as well as land is not permitted, and the products are divided according to the quantity and quality of the labor put in. Accordingly, North Korean farmers are neither concerned about the output of their labor nor about increased production. Given the lack of desire to produce on the part of the farmers, agricultural production will never increase.

Yet the North Korean authorities are trying to convert current cooperative farm land to ownership by all the people, that is, "state ownership." This is bound to further dampen the desire of farmers to produce.

The large-scale creation of terraced patches of arable land on mountain ridges under the chuche farming method became an underlying cause for the backwardness of agricultural production and the frequent flood damage. Terraced patches were created by reclaiming mountain ridges wherever the hand of labor could reach to expand arable land which is limited in acreage and increase the output of corn, a stable crop. The terraced patches caused not only the devastation of forests, however, but also the effluence of soil and a rise in the river beds whenever there was a flood, thereby causing a lot of damage to the crops in the level land also.

In the last analysis, the failure of North Korean agriculture characterized by the chuche agricultural method may be the outcome of the socialist agricultural policy as was proven by the failure of the similar policy in East Europe.

North Korea's basic agricultural policy may be roughly divided into three stages: the implementation of land reform in 1946, the completion of agricultural cooperativization in 1958, and the promotion of nationalization in 1964 and thereafter. This process of socialization in the agricultural sector proceeded in the same way as in the Soviet Union and other communist countries.

North Korea followed up the promulgation of the 1946 land reform law with the collectivization of all arable land and farm work beginning in 1956, while exerting main efforts to achieve a self-sufficiency in food and industrial materials.

Because of the natural condition of mountainous and cold and wet land, overall agricultural productivity has naturally been low, however. What is worse, the absolute acreage of arable land is scanty and the level of seed improvement techniques was also below par.

In particular, the agricultural production goal was apt to be missed each year because of the farmer's diminished desire to work and produce resulting from the collectivization of production, as well as the disadvantageous climatic condition of farming.

Setting aside the period from the year the country was liberated through the Korean war as one for establishing the so-called "people's democracy," North Korea implemented the land reform in 1946 and exerted main efforts to secure a food supply for military use during the Korean war.

Standing Crops Used in Sampling for Norm

Subsequently, setting aside the period from 1954 through 1960 as a period for post-war rehabilitation and for the implementation of a five-year plan, North Korea tried hard to recover grain production to the prewar level to complete the socialist cooperativization of agriculture.

With the First Seven-Year Plan period (1961-1967), set aside as the period for consolidation of the socialist system, North Korea adapted the agricultural cooperatives to the socialist system in terms of organization by 1963. At the Eighth Plenum of the Fourth Party Central Committee in February 1964, the "Theses on the Socialist Agrarian Question" was adopted.

In line with this theses, the three revolutions—ideological, technological, and cultural—and the conversion of the entire foundations of agriculture into ownership by all the people were pushed in the country. But the results were so poor that these drives were extended through 1970. The period from 1971 through 1976 was set aside as the Six-Year Plan period, with the principal goal set for the implementation of the technological revolution in farming and the introduction of intensive farming. The 12th Plenum of the Fifth Party Central Committee in October 1976 adopted five major nature transformation programs, such as the installation of dry field irrigation, the creation of terraced patches of arable land on mountain ridges, land rearrangement and soil improvement, the reclamation of tideland, and anti-erosion projects.

In the Second Seven-Year Plan period the nature transformation program was continued while launching into the scientization of agricultural production through the four-point agricultural modernization program, namely, irrigation, electrification, planning, and chemicalization.

For 1993, the last year of the current Third Seven-Year Plan period (1987-1993), the goal is set at using 10 to 12 tractors and 25 tons of chemical fertilizer per chongbo and reclaiming 300,000 chongbo of tideland by stepping up the four-point agricultural modernization program, in addition to fulfilling the 15-million ton food grain production goal.

North Korea used to claim that it had fulfilled the goal of producing 10 million tons of food grain in 1984, the last year of the Second Seven-Year Plan period, through the step-by-step implementation of its agricultural policies as described above. It also claimed that it attained a yield of 7.6 tons of unhusked rice and 6.5 tons of corn per-chongbo.

Ten million tons of food grain is more than enough to feed the entire North Korean population. Of the 10 major goals unofficially announced by North Korea in 1989, the grain output goal was set at 10 million tons. From this one may easily surmise that the claim that North Korea attained the goal of 10 million tons of grain a year was nothing but a propaganda claim. Furthermore, there is a significant gap between the figures given by North Korea on its grain production goals and the figures computed according to the widely recognized usage of non-cereal grain as the standard in international statistics.

What North Korea refers to as "*algok*" is based on non-cereal grains. *Algok* includes all food grain including cereals, beans, and potatoes (white and sweet), in addition to chaffy grain such as rice, corn, wheat.

Therefore, despite the 10 million tons of food grain output claimed by North Korea, its actual grain output is about half of that amount when computed according to the generally acknowledged statistical standards.

In addition, agricultural cooperatives as units of production tend to file false reports on production because of the arbitrary nature of the system by which they are required to fulfill the production goals assigned by the central government. That is not all. In the method of compiling food statistics, production figures are not based on the final tally after the harvest but they compile the statistics on the basis of samples taken while the plants stand in the field. Accordingly, there is a considerable gap between the actual production figures and the compiled statistics.

North Korea's total acreage of arable land is 2.14 million hectares, about the same as that of South Korea. Of this total, paddies account for 645,000 hectares and dry fields account for 1,496,000 hectares.

North Korea's agricultural policy since the 1980's has been oriented toward increasing the acreage of land under cultivation and expanding the dry field irrigation network rather than improving the production and operational methods.

At the Fourth Plenum of the Sixth Party Central Committee in October 1981, North Korea adopted four nature transformation programs as a pivotal undertaking designed to increase food production. These programs represent an application of the five-point nature remaking program in economic construction. This is the 10th year since the four major programs were undertaken. The 300,000-chongbo tideland reclamation program and the program for creating 200,000-chongbo arable land have produced little tangible result, however, except for the Nampo lockgate project which was completed in June 1986 and the 4.9-million kilowatt power facility in operation in Taechon Power Station.

Under the 300,000-chongbo tideland reclamation program, 60,000 chongbo has been reclaimed so far, or only 20 percent of the goal. The program for creating 200,000-chongbo of arable land has produced not much tangible result either, except the 20,000 chongbo of land reclaimed on the Kaema Plateau.

The major areas recently reclaimed in North Korea include: in South Hwanghae Province, 2,500 chongbo in Reclamation Districts 3 and 5; the 3,200 chongbo Ungdo tideland reclamation project linking Chongnyang, Ungdo, and Nunggum Islands in Wolsapo, Kwail County; and 5,200 chongbo of tideland reclaimed along Kangnyong River. Also included are the following reclaimed acreages in other areas: the 2,600-chongbo Changdo tideland reclamation project linking Mirido, Myodo, Wado, and Saeusom Islands on the shore of Yomhori, Kwaksan County; and the 8,800-chongbo Taegyedo tideland reclamation project linking Taegyedo Island to the Cholsan Peninsula, and 350 chongbo of reclaimed land in West Sea Reclamation District 1.

Table 2. Acreage of Arable Land in North Korea (unit: 10,000 hectares)

Division	1989	1990
Total	214.1	214.1
Paddies	(64.5)	(64.5)
Dry Fields	(149.6)	(149.6)

Table 3. Goals of Reclamation Projects in Each Plan Period

Economic Plan Period	Reclamation Goal
'61-'67 1st Seven-Year Plan Period	50,000 chongbo
'71-'76 1st Six-Year Plan Period	30,000 chongbo
'78-'84 2d Seven-Year Plan Period	100,000 chongbo
'87-'93 3d Seven-Year Plan Period	300,000 chongbo

The tideland reclamation projects currently under way include: in South Hwanghae Province, the 1,000-chongbo Chongsudo tideland reclamation project which was started this March; and in North Pyongan Province, the 2,000-chongbo West Sea tideland reclamation project; the 12,300-chongbo Chongju tideland reclamation project linking Changdae-ri, Kwakksan County, to Idae-ri, Chongju County; and the 33,00-chongbo Kado Island tideland reclamation project.

Also in progress are the 3,300-chongbo Kumgang tideland reclamation project linking Taesokdo Island to Kumsari, and the 16,000-chongbo Pyongwon tideland reclamation project in South Pyongan Province; and the 1,100 chongbo Kumya tideland reclamation project in South Hamgyong Province on the east coast.

Under the program for creating new arable land, 20,000 chongbo of farmland was created in the Paekdu-Kaema Heights area, and currently, a project for reclaiming an additional 16,000 chongbo of farmland is actively under way in mountainous areas in Yanggang Province.

North Korea has been putting all its might into reclaiming tideland and creating new farmland because it realized that given the stagnating productivity, the only way to increase food production is to expand the acreage of arable land.

To begin with, the North Korean authorities thought that the food shortages could be solved fully by food rationing, that is, by exercising government controls to restrain the growing demand without importing food to make up for the shortfall. The production that lags behind the demand is not the only reason for the food shortages in North Korea, however.

Society Complete With Primary Wherewithals of Survival

The North Korean authorities thought that the food shortages caused by the law of supply and demand could be resolved by cutting down on the amount of the ration as long as the food rationing system remains in force, a system which is one aspect of the institutional method of controlling the North Korean populace at the whim of the authorities.

Needless to say, North Korea has somehow managed to keep the food shortages under control through the control mechanism under the closed authoritarian regime. Recently, however, the food shortage has reached the point where the deteriorating food supply situation cannot be kept under control by the rationing system alone, a trump card in the hands of the North Korean authorities.

This explains how high-ranking North Korean authorities, including Premier Yon Hyong-muk have launched into peripatetic diplomacy to bring in food stuffs from overseas and are even receiving South Korean rice swallowing their pride and self-respect.

The primary reason behind North Korea's current haste to wind up its normalization talks with Japan is that North Korea regards the normalization as a way out of its current economic difficulties in general, and through this normalization, in particular it seeks to prevent the regime from floundering because of the food shortages.

In the last analysis we may say that North Korea has put up the plausible slogan that "rice is communism" these 40 years or more, but ironically, the regime has now come to find itself in jeopardy because of rice.

No one in North Korea except a handful of blind followers of Kim Il-song and his son believes that "a paradise on earth in which everyone eats polished rice with beef soup for his meals and lives in a tile-roofed home" will become a reality in North Korea. All that the people of North Korea eagerly hope for is that the day will come soon when they will be provided with a simple and elementary condition in which they do not have to worry about "three meals a day."

At no time has there been a more urgent need for rice exchange between North and South Korea.

UN Ambassador Named New Vice Foreign Minister

SK2702045592 Seoul YONHAP in English 0309 GMT 27 Feb 92

[Text] Seoul, Feb. 27 (YONHAP)—South Korean ambassador to the United Nations No Chang-hui was named vice foreign minister Friday in a swap of posts with Yu Chong-ha, who was appointed to head the permanent mission to the United Nations.

Na Chung-pae, a former deputy commander of the Korean-U.S. Combined Forces Command, was appointed ambassador to Saudi Arabia. He replaces Chu Pyong-kuk who returns to the Foreign Ministry.

The government also named Yang Tong-chil, minister at the embassy in Australia, to be ambassador to Senegal.

Yi Sang-tae, director-general of the Economic Planning Board's Economic Education Planning Bureau, was reassigned as minister to the embassy in Moscow. He replaces Yi Kang-tu who quit last month to run in the general election.

The new vice foreign minister No, 54, graduated from Seoul National University and entered the Foreign Ministry in 1960.

He spent most of early years at the ministry in legal affairs departments. His overseas assignments include counsellor to Sweden, minister to U.S. embassy in Washington and ambassador to Nigeria.

He was picked up by president No Tae-u as his senior secretary of protocol in 1988 and served in the post for three years before being named as ambassador to the United Nations in 1991.

New U.N. Ambassador Yu, 55, is a graduate of Seoul National University and joined the ministry in 1959.

He covered both Asian and American affairs as bureau director and also handled economic issues when he was assistant minister for economic affairs for two years between 1985 and 1987.

Yu's foreign assignments include consul to Chicago, consul-general to Washington D.C., and ambassador to Sudan, Belgium and European communities before being transferred as vice foreign minister in December 1989.

Na Chung-pae, 55, graduated from the Korea Military Academy in 1959 and is known as an expert on military intelligence.

He is a younger brother to ruling Democratic Liberal Party lawmaker Na Ung-pae.

He served as commanding general of the 31st Infantry Division, deputy chief of staff for policy planning and commanding general of the 9th Corps.

Na was lastly deputy commander Combined Forces Command before retiring in December 1990.

New ambassador to Senegal Yang Tong-chil, 50, is a graduate of Seoul National University and joined the Foreign Ministry in 1971.

His overseas assignments were second secretary to Cote d'Ivoire , Burkina Faso and Japan and counsellor to France.

He was secretary of protocol to the National Assembly speaker for a year between 1989 and 1990 before being named as minister to Australia.

Seoul Applies To Join Ozone Protection Protocol

SK2702044692 Seoul YONHAP in English 0321 GMT 27 Feb 92

[Text] Seoul, Feb. 27 (OANA-YONHAP)—South Korea applied Thursday to join the Montreal Protocol, committing itself to reducing its chlorofluorocarbon (CFC) consumption rate to nearly half within next couple of years.

The application will be delivered through the South Korean representative at the United Nations to the U.N. Secretariat, according to the Foreign Ministry.

Official membership will come three months later on May 27, just before the protocol members can begin banning imports of all CFC-using products from nonmembers.

The Montreal Protocol on substances that deplete the ozone layer, adopted in 1987, now has 73 adherents. They originally sought to reduce CFC comsumption to the 1986 level by the end of 1994, reduce it by half from 1995 to completely ban their use from the year 2000.

The United States and the European Communities, however, are proposing that member countries push up the date of complete CFC ban to 1995.

South Korea hopes to join the protocol under a special provision which allows it up to 0.5kg per capita consumption instead of the required 0.3kg.

South Korea's per capita CFC consumption is expected at around 0.9kg this year.

* Bar Association Publishes Human Rights Report

* 1990 Human Rights Report

922C0056A Seoul CHOSON ILBO in Korean 7 Nov 91 p 22

[Article by reporter Chong Kwon-hyon: "Content of the 1990 Human Rights Report By the KBA"]

[Text] The report on the "Status of Human Rights in 1990" has finally been published on 6 November by the Korea Bar Association (KBA) after six months delay caused by internal discord on the association's management and policy lines.

The annual report concisely presents the domestic human rights status by showing cases of human rights violations during the year and its analysis, and complaint information. It is one of the major activities of the KBA to publish this report annually, together with activities related to research in law.

The 1990 report was issued after going through difficult processes. Since the new chairman of the KBA, Kim Hong-chu, came on board last February, the KBA executive body, including the chairman, expressed dissatisfaction with the draft report prepared by the KBA's human rights committee in saying, "The report is too subjective and unbalanced by leaning toward one side." The executive body then tried to form a report review committee. Some members of the board of directors submitted resignations in protest against the executive body's decision.

The report summarized the human rights status during 1990 as, "Amid the waning reform movement due to the unification of the three political parties, no substantial improvement has been made in political freedom and survival rights." The report also said that willful abuse of law against those who violated the national security law is common, and that as far as meetings and demonstrations are concerned our society is in a state of permanent martial law.

The report listed detailed evidences, for example, that the average daily number of persons arrested in relation to political offenses was 5.96 between January and November 1990, which is far more than the daily average of 1.61 during the Fifth Republic. More than 30 percent of those who were arrested allegedly violated the national security law, which is also far more than the 13 and 14 percents occurring during 1988 and 1989, respectively.

In relation to the judicial independence, the report said that there has been no improvement in the "dignity of courts" and the "authority of trials." The report also criticized that in several major cases the courts insisted on illogical conclusions and even tried to ignore the procedural right which is guaranteed by the criminal procedure law.

The functions of various investigative organizations, including the Agency for National Security and Planning, a reduction of whose function was discussed in the early part of the Sixth Republic when the opposition lawmakers outnumbered the ruling ones [before the three parties unified to form the dominant ruling Democratic Liberal Party], have been reinforced. In particular, the sensation created by the illegal covert investigation of private citizens by the Defense Security Command (DSC) is "a clear evidence of a disguised military ruling of the government," the report criticized.

The report also argued that the declaration of "war against crimes" was made by a political motivation in an effort to avoid the ruling party's political crisis caused by the DSC's investigation of private citizens by diverting the national attention to crimes.

The executive members of the KBA, including the chairman, Kim Hong-chu, are known to have shown dissatisfaction with the report written in a thesis format by the 13 Human Rights Committee lawyers, most of whom are members of a private club called "Lawyers for a Democratic Society" by complaining that, "It is biased and intentionally neglected the flow of world history."

Unlike previous reports, the authors' wrote in the front and epilogue pages explainatory remarks, which indirectly showed an internal discord, which read, "Since the articles in this report are written in a thesis format, the authors' subjective views are inevitable. Therefore, there can be different views of the authors' evaluation of the human rights status."

* Flunking Grade Still Remains

922C0056B Seoul HANGUK ILBO in Korean 7 Nov 91 p 2

[Editorial: "Flunking Grade Still Remains in Human Rights"]

[Text] The status of human rights in Korea is still a subject of criticism even after many changes of administrations. What is the current status under the Sixth Republic? The report on human rights in 1990 published by the Korea Bar Association (KBA) is still very critical about the human rights status. In summary, the report says that in spite of substantial changes in the traditionally authoritarian atmosphere of our society, there has been no improvement in the area of politics and human rights.

The report identifies two facts based on which the authors reached such a conclusion after an extensive analysis of various cases. One is the vast number of arrests, and the other is frequent violation of human rights during investigations. The report, in particular, is concerned about the waning reform will of the Sixth Republic in spite of the claim that the Sixth Republic opened a democratic era. It also pointed out that the existence of the same system and personnel as the Fifth Republic casts dark shadows.

Of course, there can be different views and counterarguments against the opinions and concerns of the KBA, which is the largest private lawyers association. The government flatly denies the existence of political and conscientious prisoners, which means that only criminal offenses and lawbreakers are imprisoned. The government does not bend its position that the application of a system and laws should be gradually changed by considering the reality. It is a reality in various parts of our society that arguments flourish without reaching agreements.

It is a solemn reality that during the process of democratization the social atmosphere has generally been loosened and that struggles and resistance movements have been reinforced and spread violently by taking advantage of collective protectionism. The government and law enforcement authorities became harsh in applying the law to produce a comparable or even larger number of arrests than that of the Fifth Republic. The rapid increase in the number of teachers who have been laid off is related to the creation of the national teachers' union. It is, therefore, desirable when evaluating the human rights status to consider changes in the social environment, rather than focusing on a simple increase in the number of cases.

Even so, it cannot be justified by any excuses that the government and law enforcement authorities have been exercising their power off the limits by maintaining a monotonous hard-line policy in coping with social changes. Let us cite an example. It is the best policy for freedom and right of expression and speech to reach an agreement through the process of debates and arguments. In the past, the authorities totally ignored this process and hastily and indiscreetly interfered with individual rights, thereby producing a large number of arrests and increasing oppressions. We have been frequently faced with a situation in which the damage of such a trial-and-error is directly related to the violation of human rights.

The government's mistake in dealing with human rights is mostly caused by the loss of principles and consistency. It is difficult for the government to avoid criticisms and complaints that the law is not equally applied. There can be no excuse for the reality that tortures in secret rooms are disclosed while the whereabouts of torturers are not known. There is no reason why we want to downgrade the Sixth Republic's desire for democratization. We hope that the government and law enforcement authorities renew their understanding that the goal of democratization should be freedom and human rights. In order to achieve this goal, they should revive the waning reform will and make a firm change in the stream of democracy, as pointed out by the KBA. We are sure that forgiveness and generosity will help, too. Human rights are the eternal truth to mankind.

Army To Diversify Sources of Arms Imports

SK2802001592 Seoul THE KOREA HERALD in English 28 Feb 92 p 3

[Text] South Korea is beginning to diversify weaponry import sources away from the United States.

The Defense Ministry recently signed a $185-million contract to buy Mistral anti-aircraft missiles from France, after a U.S. firm producing Stinger missiles refused to transfer sensitive defense-related technology.

The Ministry signed the contract with Matra D.A. of France to buy 984 short-range surface-to-air missiles (SR-SAM) by the end of next year in the largest ever deal between the two countries.

It was the first time that South Korea, heavily dependent on the U.S. weapons system, had ever chosen a European system over a U.S. one.

Military sources said that it set a precedent for Seoul to become a little more independent of the United States and diversify sources of weaponry.

Defense Ministry officials said this was an "exaggeration," adding that the ministry selected the French missiles because General Dynamics of the United States failed to meet the requirements for technology transfer.

The officials also said that the purchase of the French missiles was just the first stage of a five-year program to upgrade South Korea's SR-SAM system which will cost an additional $552 million in the remaining two stages.

But the government has long been making efforts to diversify its weaponry sources, often frustrated by U.S. checks and refusals for technology transfer.

An official at a military research institute, who refused to be identified, said that the purchase of Mistral missiles was, for one thing, made in consideration of the Seoul-Paris relationship. He noted that French firms have lost several international biddings here for defense-related items and nuclear power stations.

It also serves to notify some "high-handed" U.S. firms that Seoul is not totally dependent on them and can make other choices, he said.

Vice Defense Minister Kwon Yong-hae, before embarking on a trip to three European nations Wednesday, said that the U.S. firms should strive to field its weapons and defense equipment on the Korean market "as a normal competitor."

Competition for the remaining two phases of the short-range air defense missile system is expected to be heated, with bidding from the United States, France, and Britain.

The Mistral can carry six warheads and is effective against fighter planes and other objects flying at low altitude within a radius of 6km.

Vice Defense Minister Kwon, who will travel to France, Spain and Great Britain until March 7, will sign memoranda of understanding on defense industry cooperation with the first two countries.

The Defense Ministry expects the accords to enable imports of military equipment at lower prices.

South Korea, on its part, is seeking to sell military hardware it has developed to about half a dozen countries.

Negotiations are under way for the sale of Korean-made minesweepers, armored personnel carriers and 40mm naval guns.

Talks between Kangnam Co. and Australia and Turkey are progressing particularly fast.

A defense industry source said that Kangnam Co. will soon hold a briefing in Australia in this connection.

Talks are also under way with Thailand and Indonesia for the shipment of K-200 armored personnel carriers and advanced 40mm naval guns, both developed by Daewoo Heavy Industries Co.

JCS Chairman To Have More Managerial Control

SK2702042292 Seoul YONHAP in English 1206 GMT 26 Feb 92

[Text] Seoul, Feb. 26 (YONHAP)—The chairman of the Joint Chiefs of Staff (JCS) will exert greater power on military personnel management and an armament and defense capability coordinator will be newly installed at the top military unit, it was announced Wednesday.

Gen. Yi Pil-sop, chairman of the Joint Chiefs of Staff, said Wednesday the readjustment of the function of the JCS, which became the top military command in October 1990 under the military restructuring plan, has been settled in a way that consolidates the JCS as the supreme military command under the unified command structure.

The Army chief of staff, the chief of naval operations and the Air Force chief of staff should consult the JCS chairman whenever they exercise their rights to recommend military personnel.

To alleviate problems stemming from a rigid division of the right to military administration and the right to military order in the military organization law, both concepts will be replaced by the modern concepts of operational command and operational support, respectively, Yi said.

The JCS will give strategic and operational orders to each military branch at a time of war or operations.

When it comes to military information, the JCS will integrate and manage military information, while each branch carries out limited functions in such fields as military security, technical information, and personnel management.

In areas where the division of the two concepts is difficult, distictive definitions will be given to the rights and responsibilities of the Defense Ministry, JCS, and three branches and interrelations between and among them.

The current nine roles and functions of the chairman of the Joint Chiefs of Staff will be subdivided into 47.

The JCS chairman will be awarded a bigger role in advising the government on military policy as a regular participant of the National Security Council meeting and be empowered to manage military talks with North Korea.

The Joint Chiefs of Staff now has four departments, five offices and 89 sections, but the structure will be changed into seven departments, four offices and 82 sections. An office of armament and defense capability coordinator will be newly established.

The military authorities have been readjusting the role and functions of the Joint Chiefs of Staff ever since it was launched under a unified command system on Oct. 1, 1990.

Candidate Arrested for Giving Cash to Supporters

SK2802011992 Seoul THE KOREA TIMES in English 28 Feb 92 p 2

[From the "Press Pocket" column]

[Text] Illegal practices designed to drum up voter support knows no bounds even before the legal campaign period for the March 24 parliamentary elections begins.

Yi Kang-tu, a ruling Democratic Liberal Party [DLP] nominee, handed out some 40 million won in cash to pay for the lunches of 3,000 people who attended a rally in Kochang, Kyongsang-namto, Feb. 23. He was arrested Wednesday, the first political "fall guy."

Another DLP candidate Kang Shin-cho drew a record crowd of about 6,000 at a rally in Yongyang-Ponghwa, Kyongsang-pukto, Feb. 20 by reportedly distributing a "massive number" of free lunch tickets.

He gave two tickets, worth 6,000 won in all, to each participant. The tickets could be redeemed at restaurants and butchers' shops, it was reported.

Kim Pok-tong, the DLP contender in Taegu East-A constituency and a brother-in-law of President No Tae-u, is said to have entertained rally participants at "luxurious" reception.

Despite their blatant breach of election laws, Kang and Kim have yet to be charged.

More rampant are the shrewd violations of the laws.

House Speaker Pak Chun-kyu, running in Taegu East-B district, treated people to lunch that only cost 100 won.

Almost every candidate, both from the ruling and opposition parties, are eager to buy voter support by giving various "gifts" to those who take part in their rallies. Reports have it that the most popular gift is cake.

Illegal campaign practices are also expected by the voters themselves.

A lawmaker yesterday revealed, "I called upon some voters to rally support. The first question they asked me was how much money I will pay them."

Another candidate said, "Some people visited me and suggested that they would support me and suggested that they would support me through their private organizations, in return for money."

* Government Cancels Labor Law Revision Plan

922C0055A Seoul HANGYORE SINMUN in Korean 15 Nov 91 p 3

[Article by reporter Kim Yong-choi]

[Text] The Labor Department canceled its labor law revision plan because it claimed that its cancellation would help overcome the current economic crisis, but the real reason is that labor groups strongly oppose the plan and the Party of the Masses is keenly aware of the power of "laborers' votes" in next year's general election.

The government submitted ten items of the Labor Law for revision, but the Labor Department was intimidated by Chonnohyop (the Group for All-Labor Cooperation), the opposition party and the Labor Committee. These groups fought against the proposed changes. They adopted the slogans "Cancel the whole plan" and "Bring aggregate power back" and the chairman of the Labor Committee went on a hunger strike. After careful consideration, the Party of the Masses showed its opposition and the Labor Department tentatively withdrew the revision plan stating that "this revision session is temporarily on hold." This decision was prompted by strong opposition from the Labor Committee, the democratic party, the press and because public opinion had taken a turn for the worst.

The Labor Department plans to "selectively consider" the revisions and "the Labor Department will pick a few important revision items and 'withdraw' the rest as a concession to labor groups."

The Labor Department ceded eight items as a "present" to the Labor Committee: a "provision that would put labor unions in an unstable position during layoff disputes," which is a politically sensitive issue, removal of a ceiling on union fees, and an additional six items. Two "main items" that were strongly defended included "overcoming the economic crisis through the establishment of an industrial spot order" and a "total wage system."

Recently, Choi Pung-yol, the Labor Department minister, met with reporters and stated that "the 'total wage system' and 'labor time limit' were the important revisions advocated by the Labor Department." If the Labor Committee accepts these changes, the Labor Department will concede the others and will implement the Labor Committee's work supervision plan where upper level groups supervise lower level groups in the workplace.

The Guidance Division of the Labor Committee retreated from this "obligation." The Guidance Division of the Labor Committee has been under pressure from different labor groups to "remove all revisions." Conversely, groups outside the government have been involved in a big fight for the elimination of "detrimental revision obstructions" and present labor laws concerning toxins and, therefore, they are reluctant to be seen in "agreement" with the Labor Department. In addition, they are looking ahead to membership in the International Labor Organization and want to ensure that policies comply with those of this group.

Chonnohyop, groups outside the government and labor unions believe that the Labor Department has a strategy to withdraw "detrimental revisions" while strongly defending the total wage system and labor time limit through enforcement revisions and administrative guidance set for the beginning of next year. The plan is designed to implement high powered wage control and to weaken the power of labor unions and new labor regulations, so it has met strong opposition from all labor groups.

Chun No Hyup insists that the Labor Department is attempting to disrupt cooperation and the combined power of labor unions by restricting wage increases to single digit percentages and, at the same time, hiring large numbers of part-time laborers as a solution to manpower problems. These are issues that should be addressed by the management of individual companies and their employees, not the government.

Meanwhile, the Labor Department's "strategy to solve the economic crisis" will combine the total wage system and labor time limit regulations and it will begin enforcing these rules next year, regardless of the outcome of current negotiations. Chun No Hyup will continue to insist that the revisions be withdrawn and present labor laws changed. Therefore it seems that this conflict will not be resolved even after the government withdraws eight of the 10 revisions.

People not associated with the government and labor groups cannot be placated easily because they believe that the government intentionally proposed revisions that are unacceptable to these groups to focus their attention on these revisions thus preventing them from concentrating on making meaningful changes that would bring governmental labor policy closer in line with that of the International Labor Organization. The government wants to prevent substantive changes in the labor laws before joining the International Labor Organization by readily conceding all but two non-controversial revisions, including the "total wage system," in an effort to disarm the opposition through "deflation tactics" and by creating a false sense of compromise.

* Five-Year Economic Development Plan Detailed

922C0060A Seoul CHUNGANG ILBO in Korean 12 Nov 91 p 5

[Article by reporter Pak Tae-uk: "What Is in the Seventh Five-Year Plan?; Irregularities in Bequeathing Inheritances in the Form of a Gift Through Stock Manipulations Are To Be Investigated Regularly"]

[Text] The "Draft Seventh Five-Year Economic and Social Development Plan," which will serve as the foundation for our nation's economic and social development policies, has been finalized.

The draft plan consists of three major strategies and 10 policy goals which were formulated by projecting the domestic and international conditions that will exist and the direction which our nation will follow in the Seventh Five-Year Plan period (1992-1996), on the basis of the results of the Sixth Five-Year Pan (1987-1991) and the problems encountered in the course of its implementation.

Needless to say, obviously the pursuit of the goals set in the draft plan will be limited for these variables: 1) whether the domestic condition on which the judgment was based will turn out as anticipated; 2) whether some of the policies can be implemented effectively or implemented at all under the circumstances in which the role of the government has been curtailed; 3) there is the possibility that the social and economic development strategy will undergo a considerable modification, depending on the character of the new administration that will be created by the presidential election next year, the first year of the plan.

20 Major Policy Tasks

For this limitation, as a matter of fact, some officials in the EPB [Economic Planning Board] are even arguing about the "uselessness of the five-year plan." But, the formulation of the five-year plan is justifiable in the sense that we should set a certain direction for our economy and society to follow in the next five years at least and have a general overview of the policies that will be needed to back up the pursuit of that direction.

Last November the government worked out the "guidelines for the formulation of the Seventh Five-Year Plan" for distribution to various ministries and agencies, and this July it completed the drafting of draft sector-by-sector plans for 33 different sectors. From August through October, 20 major policy tasks were deliberated by the plan coordination and examination committees to make an overall adjustment before finalizing the draft seventh plan.

Particularly, included in the draft plan are the "measures for preventing the concentration of economic power," which was not contained in any of the sector-by-sector plans. We will give details of these measures while briefly summarizing the major policy tasks.

Augmentation of Economic Strength

Augmentation of the Economic Strength of Enterprises

—Diffusion of ownership concentration in enterprises

Currently, the ratio of owner share holdings in cooperations is 46.9 percent, and corporations will be induced as a long-term effort to reduce this ratio as much as the stability of business operation permits. To this end, major corporations with an extremely high rate of ownership concentration will be encouraged to gradually decrease the ratio of owner share holdings. In the case of 30 major business groups, only 161 firms, or 28.7 percent, of their 561 subsidiary firms have gone public so far. Efforts will be made to expedite the further opening of shares of the rest of the firms to the public.

For the purpose of fostering the capital market, the limit to the issue of non-voting shares will be reduced to 25 percent, the upper limit under the Commercial Law, from the current 50 percent; and a periodic investigation will be conducted into irregularities in bequeathing inheritances in the form of a gift through stock manipulations, such as merger or increasing or decreasing the capital. In addition, the income flows and any changes in the assets owned by millionaires will be checked by means of a centrally-controlled computer system.

As a means of diffusing the ownership of large corporations, financial organizations will expand investments in stocks. To this end, the limit to the securities holdings of banks will be increased (up to 25 percent of the demand deposits and 100 percent of the equity capital), and the asset management standards for insurance companies will be modified to allow them to make use of equity stocks while lowering the limit to their real estate holdings.

For the purpose of accelerating the process of financial organizations going public, what constitutes an identical person under the Bank Law will be made to coincide with that under the Fair Trade Act so that foundations and other nonprofit juridical persons and even the subsidiaries of subsidiaries may be lumped together in the computation of equity and liabilities for an identical person. Even for local banks, a limit will be set to the equity holdings by the large stock owners and it will be brought down gradually to the same level for city banks; and the upper limit to the ratio of bank loans to an identical person will be lowered (to 20 percent or less from the current 25 percent). Financial organizations belonging to large business groups, such as insurance, securities, and short-term finance companies, will be induced to diffuse their ownerships as much as their operational stability permits.

—Introduction of a system of management by independent experts The mutual payment guarantee system will be gradually curtailed. Each controlling corporation, after freezing the payment guarantee limit for its affiliates, will gradually reduce the balance of the outstanding payment guarantees to its affiliates; and as an initial step, each affiliate will limit new payment guarantees to another affiliate in the same group which have an excessive ratio of payment guarantees compared with their financial structures (equity capital, etc.), and as a second step, this security guarantee limit will be applied to all the affiliates in the same group. Payment guarantee will be approved only for investment in the development of a new technology, however.

To strengthen controls over illegitimate internal dealings in large business groups, the government will investigate the real state of irregular internal dealings in these groups before adopting and implementing the standards of investigation, and examine the substance of irregular internal dealings in a thoroughgoing manner during the examination of the corporate tax payment.

—Development of cooperative relations between large corporations and small/medium companies

Cooperative relations will be expanded in the areas of funds, technology, and manpower. In the past, when a corporation dispatches an executive officer to another company, the move was regarded as an act of affiliation. The Fair Trade Act will be implemented in such a way that such a move will be regarded as a case of technical support, however.

—Smooth adjustment of industrial structure, including liquidation of enterprises

A clear standard for dealing with nonperforming loans will be established so that banks will set up their own standards for recovering their delinquent loans through foreclosure and writing off the unpaid balance left after the foreclosure and treating such write-offs as a loss under the tax law.

Tightening Control Over Internal Dealings

The regulatory system for banks and the cooperate liquidation system will be improved by establishing concrete and clear standards and procedures, and the merger and acquisition (M&A) brokerage function of banks and other finance companies will be strengthened.

—Firms to be encouraged to improve financial stricture

For manufacturing firms, voluntary restrictions on paid-in capital increases will be removed beginning next year in order to promote capital increases, and the reappraisal system for land and other nondepreciable assets will be tightened in such a way that any firm failing to reappraise its assets within a certain time limit will miss the chance of reappraisal for good.

The business accounting system will be improved, and the tax system will be improved in order to give a tax benefit for reserves retained by firms and an adverse tax treatment for an outflow of reserves. A consultative body will be created to conduct sector-by-sector consultations between the government, enterprises, banks, and business organizations for the purpose of avoiding duplicate and superfluous investments.

With regard to the credit control system, the current group-by-group credit control system will be converted to an individual corporate credit control system on a long-term basis.

Technology Development, Expansion of Information Network

The ratio of R&D investment to the GNP will be expanded from the current 2.1 percent to 3 to 4 percent by 1996. Universities will be encouraged to strengthen their research functions, and the introduction of R&D investment and technologies from abroad will be virtually liberalized. The government and private organizations will invest 1,550 billion won in 919 production technology development projects in the 1991-1995 period. The second five-year plan for the localization of machine production will be formulated. The fund for this purpose will be increased from 3.8 trillion won in 1991 to 10 trillion won in 1996.

Balanced Social Development

Development of Regional Balance

—Revamping of Agricultural-Fishery Structure

Through a special account for the improvement of the agricultural-forestry structure, a total of 42 trillion won will be invested for the next 10 years. The grain collection program will be improved so as to streamline the market functions by increasing the amount of grain purchased through the agricultural cooperatives while reducing the amount purchased by the government.

—Easing population concentration in capital zone

Measures which tend to aggravate the large-scale population influx into the capital zone, such as the development of new towns will be curbed, and entry of new leisure and service facilities exceeding the prescribed size limit will be restricted.

—Complementary measures to back up newly introduced local autonomy systems

Various functions of the central government, such as the issuance of permits, licenses, and similar executive functions, will be transferred to local governments on a large scale. The cooperative and coordinating system of local governments will be strengthened by revitalizing the municipal/provincial economic consultative councils and the municipal/provincial administrative adjustment committees. Those national tax revenues which are closely linked to local economic activities and the sources of which are evenly distributed will be transferred to local governments. A government-controlled regional development fund will be set up to assist the local governments in raising money for joint investment projects.

2.5 Million Homes To Be Built

Easing Housing Shortage, Curbing Land Speculation:

In the 1992-1996 period, 2.5 million homes including 1.27 million government financed housing units will be built. The size of standard homes will be decreased from 25.7 pyong to 18 pyong, and the required ratio of apartments with a size of 18 pyong or less to the total housing units built by private builders will be modified upward. The selling prices of housing units will be liberalized when the declining trend in housing prices becomes permanent. The minimum size of homes on which the surtax is assessed for a contribution to the housing development fund will be readjusted (from 1,000 pyong to 500 pyong in urban areas).

Expansion of Social Security, Promotion of Welfare

—Expansion of social security system

An annuity system for farmers and fishermen and an unemployment insurance system will be adopted by 1995 after three years of preparation.

—Anti-pollution measures

The quality of water in the sources of drinking water throughout the country will be upgraded to Classes 1 and 2 through the establishment and management of 11 water quality zones in the four major rivers.

Consolidation of Unification Base

Active Promotion of Financial Liberalization

The interest rates on all loans of financial organizations, including bank loans, will be fully liberalized in the early stage of the Seventh Five-Year Plan period, and the interests on deposits will be gradually liberalized beginning with the interests on long-term credit.

Policy loans generated from Bank of Korea rediscounts and from the financial funds of commercial banks will be gradually curtailed, and make the Korea Development Bank and the Small and Medium Industry Bank function as exclusive suppliers of industrial funds and expand the fund raising through government investment, bond issues, the liberalization of interests on securities, and the expansion of the upper limit on bond issues. Measures will be worked out to improve the budget accounting and funding systems for government investments and loans so that public surplus funds may be put to effective use.

Expansion, Development of Open Economy

Our trading systems will be made to fit the international norms, and the import of farm products will be liberalized gradually in accordance with the commitment made to the GATT International Payments Committee and the outcome of the Uruguay Round. Efforts will be made to join the Organization for Economic Cooperation Development (OECD) in the latter part of the Seventh

Plan period and step up official development assistance (ODA) to developing countries.

Foundations for North-South Cooperation, Unification

Trade between North and South will be institutionalized as internal trade within the same nation through a North-South agreement, and the way will be paved to get an international approval of this system. Depending on an increase in the volume of trade and the progress in the North-South relationship, efforts will be made to sign a trade agreement, establish an interbank settlement system, designate direct trade ports, and open free joint markets.

North-South economic cooperation will be promoted in such a way as to be mutually beneficial, and economic cooperation in the form of economic assistance to North Korea will also be actively accelerated. Efforts will be made to promote the construction of joint venture factories and to search for ways to jointly advance into third countries. In preparation for national reunification, studies will be made of sector-by-sector unified systems of transportation, communications, energy, land development, and so forth.

Major Economic Outlook

Economic Stability

Consumer price increases will be at the rate of 7 to 8 percent in the 1992-1993 period and at the rate of 5 percent in 1994-1995 period.

Balance of International Payment

—Policy tasks

Efforts for wage stability and for the management of aggregate demand will be stepped up with a view to structurally stabilizing domestic demand. The localization of the machine and electric/electronic parts industries will be actively promoted. The elasticity coefficient of energy consumption will be brought to be on a par with the level in advanced countries (1.6 in 1990 and 1 in 1996) through the development of energy-efficient industries and the improvement of the consumption structure.

Outlook for Current Account Balance

The current account will be improved so as to be brought into balance in the midterm and into the black to the tune of 1 percent of the GNP in the latter part of the plan period.

Change in Industrial Structure

—Industrial structure

The manufacturing sector will achieve an annual average growth rate of 9.8 percent (7.5 percent in real terms), and the ratio of the added value products to the GNP will be increased to 30 percent or more in 1996.

—Employment structure

The manufacturing sector will achieve an annual average employment growth rate of 3.4 percent and the percentage of employees in this sector to the total number of the employed in the whole country will be raised to the 29 percent level in 1996.

In social overhead capital (SOC) and other related domains, employment will register an annual increase of 3.1 percent and the ratio of employment in these sectors to the nation's total number of the employed will rise to 57.9 percent.

Effective Use of Government Finances

During the plan period, the fiscal demand in the domains of SOC, education, social development, S&T, and environment is expected to increase to 10.4 percent of the GNP in 1996 from 6.4 percent in 1990. To meet this fiscal demand by non-inflationary means, the tax rate will be increased to 22 percent in 1996 from 19.5 percent in 1991, and the utilization of the sources of various public funds such as the national annuity fund will be expanded.

The overall prior assessment functions for large investment projects will be enhanced, the ratio of S&T investment spending to the total defense outlays will be gradually increased.

In 1996, the GNP in current dollars is estimated at $492.6 billion, with the per capita GNP at $10,908 and the volume of exports and imports at $130 billion and $140 billion, respectively.

Table 1. Forecast of Economic Indexes

		Unit	81	86	91 (forecast)	96 (forecast)
Population	Total Population	1,000 persons	38,723	41,184	43,268	45,248
	(Rate of Increase)	%	(1.56)	(0.95)	(0.93)	(0.88)
	Participatory Ratio in Economic Endeavor	%	58.5	57.1	60.4	62.2
	(Women)	%	(42.3)	(43.1)	(47)	(50)
	Average Life Span	year	66.9	69.5	71.6	74
Health, Medicare	Ratio of Medical Benefit Recipients	%	39.2	57.1	100	100
	(Scale of Fiscal Support)	100 million won	(412)	(1,025)	(8,490)	(12,000)

Table 1. Forecast of Economic Indexes (Continued)

		Unit	81	86	91 (forecast)	96 (forecast)
	Population per Doctor	Person	2,198	1,984	1,216	956
	Population per Bed	person	974	519	470	344
Housing/Environment	Housing Construction (5-Year Aggregate)	1,000 homes	1,116	1,155	2,373	2,500
	(Ratio of Home Owners	%	(70.5)	(69.7)	(74)	(81.4)
	City Water Availability Ratio	%	57	68.7	79.5	85
	Foul Water Treatment Ratio	%	0	8	35	65
	Terminal Sewage Disposal Ratio	%	63.5	86.1	91	100
Farm/Fishery Villages	Arable Land Readjustment Ratio	%	38	46	62	80
	Monthly Farm Income	1,000 won	307	500	990	1,415
Social Overhead Facilities	Road Payment Ratio	%	34.1	54.2	83	100
	(National Highways)	%	(55.3)	(77.1)	(95)	(100)
	(Local Road)	%	(11.0)	(37.2)	(79)	(100)
	Number of Phones Installed	per 100 persons	8.4	18.3	34.3	49.7
Educational Environment	Students per Class (primary schools)	person	48.8	45.5	40.8	37.8
	(in Major Cities)	%	person	60	50	45
	Kindergarten Enrollment Ratio	%	17	36.7	54.8	59.5
	High School Enrollment Ratio	%	63.5	81.7	87.6	89.4
	College Enrollment Ratio	%	20.7	37	38.1	53.6

* Reunification Land Development Plans Listed

922C0084 Seoul CHOSON ILBO in Korean 18 Dec 91 p 3

[Article by reporter Sung In-pae: "The Third Comprehensive National Land Development Plan Between 1992 and 2001 - A New Blueprint Emphasizing Decentralization"]

[Text]**Cooperation Among 24 Related Organizations**

What will our land look like in 10 years? The government's Third Comprehensive National Land Development Plan (a proposition), which contains a blueprint for land development in the 2000's, was finalized on 17 December.

The land development plan provides a vision of a comprehensive, long-term policy for utilization, development, and maintenance of our land every ten years. This is the third one.

The first plan, which started in 1972, emphasized the establishment of a basis for economic growth. The major goal of the second plan, that ends this year, was a balanced development of land.

The main theme of the third plan can be summarized as decentralized land development, which is consistent with ongoing efforts for preventing concentrated development around the nation's capital and with the existing goal of a balanced development. Therefore, the third plan indirectly acknowledges the failure of the second plan.

The third plan includes the mid- to long-term development plan in preparation for a possible reunification as a result of the rapid development in the relationship between South and North Korea.

The Ministry of National Construction has been working on the third plan since January 1990, with a special task team created in the National Land Development Research Institute and with cooperation from the working-level task forces consisting of 24 related government ministries and organizations. The Ministry of National Construction finalized the original plan developed by the institute in March 1991, after discussions with related ministries and having public hearings. The Cabinet approval is required before it will become effective. The following is an exerpt of the third plan.

New Industrial Zones

New industrial zones will be concentrated in the Chungchong and Honam [North and South Cholla Provinces] provinces. Three industrial zones will be developed in the Asan Bay-Taejon-Chongju area, Kunjang-Iri-Chonju area, and Mokpo-Kwangju-Kwangyang Bay area, in relation to the existing developmental plan of the west coast. The government's industrial investment thus far has been concentrated in the Seoul and Pusan areas and the southeastern part of the nation. Thus the government has been criticized by the people of the Chungchong and Honam provinces whose industrial basis has been very vulnerable compared to that of the southeastern areas. In an effort to alleviate the criticisms, 60 percent of the new industrial complexes planned to be built by 2001 will be in these areas. Thus the manufacturing rate in these areas will be increased from 14.9 percent to 25 percent.

The third national land development plan also includes the construction of medium- and small-size industrial complexes in the areas such as Kangwon Province, northern Kyongbuk Province, and western Kyongnam Province, which are industrially underdeveloped.

The plan also includes an establishment of high-tech industrial complexes in the 9 cities, including Chunchon, Kangnung, Chongju, Taejon, Chonju, Kwangju, Pusan, and Chinju, by reflecting local characteristics of each city, thus enhancing the international competitive edge.

Expansion of Transportation Network

A seven by nine lattice-type major highway system will be newly constructed by connecting northern and southern cities and eastern and western cities. The seven major highways running north and south include those connecting Kanghwa and Mokpo, and Pochon and Masan. The nine major highways running east and west include those connecting Inchon and Sokcho, and Mokpo and Pusan. The new highways will improve heavy traffic in the nation's capital connecting all of the major existing highways, which hampers a balanced development of local cities.

During the next ten-year period, 16 new highways with a total distance of 1500 kilometers will be constructed. These will include the ones on the west coast, Taegu-Chunchon line, Taegu-Pusan line, the Second Kyongin line, and a beltway surrounding Seoul. Furthermore, the existing 700-kilometer highways and 5500-kilometer state highways will be expanded. The state highways and local roads will be completely paved by the early 1990's.

By the year 2001, the current low rate of 27 percent of two-way railroads and 17 percent of electric railways of the existing railroad system will be increases to 54 and 50 percent, respectively. New electric railways connecting new surburban cities, including the Kwachon line, Pundang line, and Ilsan line, will be constructed. There will also be new electric railways connecting industrially important harbors and bays and industrial complexes, such as Kunjang, Asan, Taebul, and Kwangyang.

New international airports will be constructed in Chongju and on the east and west coasts, together with one in Yongjong Island. Six regional strategic harbors will also be expanded.

Land Development in Preparation for Reunification

A mid- and long-term national land development plan will be established in preparation for the reunification. The 10 counties with 7,306 square kilometers and with a population of 690,000, along the truce and the civilian passage restriction [farming restricted] lines, will be declared as special districts. These areas will be developed and managed by a special law for development and management of border areas.

The disconnected railways, such as 12 kilometers between Munsan and Changdan of the Kyongui line, 16 kilometers between Sintan-ri and Woljong-ri of the Kyongwon line, and 24 kilometers between Cholwon and Kumkok of the Kumkangsan line, will be restored and a new railway connecting Pohang and Wonsan will be established.

Among the disconnected roads connecting South and North Korea, the following portions will be paved or expanded: the 11.2 kilometers between the Bridge of Freedom and Panmunjom, which is a part of the No. 1 state highway connecting Mokpo and Sinuiju; the 12 kilometers between Sintan-ri and Woljong-ri, which is a part of the No. 3 state highway connecting Namhe and Chosan; and 3.2 kilometers between Myongho-ri and Songhyon-ri, which is a part of the No. 7 state highway.

The existing developmental plan of the Unification Garden and City of Peace will be elaborated. An economic cooperation complex and a science and technology cooperation complex will be jointly developed in the Demilitarized Zone by South and North Korea to promote trade, distribution, and joint production.

An international-scale tourist area will be developed in the Sorak and Kumkang mountains by joining them together into one tourist zone. A joint South-North marine resources development will be promoted on the Han and Imjin Rivers.

A land development plan will be established on the whole Korean peninsula, including North and South Korea. This land development plan will include a comprehensive plan in preparation for a population movement to the South from the North when reunification is achieved, and the land possession, utilization, and management plan.

Environmental Protection

More stringent standards for the preservation of an ecological system and environment will be developed by adapting the green plan concept, while clean fuel and low-pollution automobiles will be developed and used. An exemplary "ecopolis," an environmentally clean city, will be constructed with a complete garbage and sewer treatment capability.

Various systems for environmental protection will be adapted and put into practice; a system to impose a fine for creating pollution, a system to enforce deposits for pollutant waste treatment, and a system that allows transfering the right to grant pollution.

In accordance with world trends, the rate of investment in projects related to environmental protection will be increased from the current 0.15 percent to 1.0 percent of the GNP by the year 2001.

Housing Construction

During the 10-year period of the third national land development program, 5.4 million houses will be constructed to increase the housing supply rate to 92.8 percent. New housing construction activities will be concentrated on big cities where the housing shortage is severe. The average size of new houses will be 23 pyong [approximately 818 square feet] of actual living space. Forty percent of the new houses, which is 2.15 million houses, will be rental houses.

Public Water, Sewer, and Water Resources

Eighteen new public water systems, including the four existing developments of the four-stage development in the capital area, Kumho River, Somjin River, and the Chuam Dam, will be constructed to increase the public water provision rate from the current 30 percent to 45 percent.

A total of 180 sewage treatment plants will be gradually constructed throughout the nation. As a first step, the existing sewage treatment plants will be expanded in 12 cities, which are producing pollution, in an effort to protect water resources of the four major rivers along which the 12 cities are located.

By the year 2001, 10 multi-purpose and mid-size dams will be newly constructed in anticipation of a new demand for 5.8 billion tons of water. Thus the dam water supply will be increased from the current 11.5 billion tons to 15.4 billion tons.

Transportation difficulties due to heavy traffic between Seoul and Inchon will be alleviated. The Kyongin Canal will be constructed to prevent floods in the basin of Kulpo-chon. A project connecting the three major rivers—Han, Naktong, and Kum—will be promoted.

Funding Appropriation Plan

Total investment during the third development period is estimated to be 320 to 370 trillion won [based on 1985 won], which is 16 to 18 percent of the GNP.

It is planned that the central government will provide 69 trillion won (27 percent); the local government, 47 trillion won (19 percent); and private industries and investment organizations, 141 trillion won (50 percent). The identification of funding sources, however, will be the biggest problem in promoting the plan.

To resolve the funding difficulties, a variety of plans are being considered to induce active private investment, including a separate mechanism for funding appropriation such as regional development funds, issuing central and local government bonds, inducing public purchases, and an active inducement of private capital by establishing a separate incorporation with joint participation by the government, investment organizations, and private sectors.

* Government To Invest in Manufacturing Industry

922C0088A Seoul HANGUK KYONGJE SINMUN in Korean 17 Dec 91 p 3

[By reporter Kim Ki-ung]

[Text] Following is a summary of the government package to boost the competitiveness of manufacturing industries:

Financial Support, Tax Benefits

—Trade financial support, so far extended to nonaffiliated major enterprises whose annual exports are $50 million or less, will be expanded to include such enterprises exporting $100 million or less a year. The change is expected to make 300 billion won [W] available in additional financial support.

In order to activate trade notes, the trade note insertion rate in the CMA (cash management account) with short-term investment finance companies will be increased from 10% to 20%; also, trade notes will be allowed to be inserted in bank trust up to approximately 10%. The measure is expected to enlarge the trade note discount market from the present W1.2 trillion to W3 trillion next year.

The loans for buyers of home-produced machinery will be increased from W3.8 trillion this year to W4.5 trillion in 1992. The fund for automation and information network facilities is expanded from W650 billion to W1 trillion, of which the Korea Development Bank fund for automation facilities will increase from W250 billion to W550 billion.

Foreign currency loans to finance equipment imports is curtailed substantially and the money thus saved will be used preferentially to support export industries. The foreign currency loan program, worth $6 billion this year, is likely to be cut by a half in 1992 but no specific figures have been announced.

—With the investment tax temporary exemption system, allowing exemption for 10% of the value of machinery and equipment (3% for imported machinery), due to expire at the end of this year, it will be abolished for major enterprises as scheduled; however; for medium and small enterprises investing in indigenous machinery, the system will be extended by six months.

To speed up commercialization of new technologies, the one-time depreciation of machinery and equipment allowed at the time of investment is increased from the present 50% to 90%.

The tax exemption for personnel expenses, currently limited to science and technology [S&T] researchers holding bachelor's or higher degrees, is expanded to include all researchers regardless of academic degree, effective 1992.

It was also decided to shorten the period of depreciation on automation facilities, which is currently 7.9 years on average.

The tariff exemption rate for equipment and supplies imported by enterprises for research purposes is raised from the present 65% to 80%. In addition, as already disclosed at the time when the tax law revision plan was announced, contributions by enterprises to their respective employee welfare funds will be made fully deductible, effective 1992. When a building for employees' use is acquired, 10% of the acquisition cost will be exempted from the taxable amount.

Also, when the enterprise sells land to build houses for rent to employees who do not own their houses, it will be allowed a 50% reduction in transfer tax. With medium and small enterprises, the basic deductible amount on entertainment expenses will be increased from W6 million a year to W12 million.

Industrial Technology Development

—The government will push forward and extend sustained support to development plans on 919 industrial technologies.

Next year 224 themes will be added and, thus, development efforts will continue on a total of 762 themes. To that end, the public sector alone will provide W174.8 billion in financial support.

As for further selection of technology development themes for funding support, it will be made on the basis of the realistic demands of enterprises. Once selected, the support for the development program will continue until it produces results.

—The government will extend positive support to automation efforts by enterprises to cope with manpower shortages.

To that end, it will push forward developments of 50 major automation facilities and parts that have so far been dependent on imports, including AI-type automatic welding system. A model research program will be launched to develop automatic production and management control for two industries—machinery and textile—and the results will be put to use at 200 enterprises.

The period of depreciation for automation facilities will be shortened. At the same time, tariff cuts will be considered for imported core parts that cannot be produced at home.

The program for popularization of S&T development will be expanded. To that end, "comprehensive S&T innovation measures" will be established and implemented in earnest, effective 1992.

Expanded Supply of Industrial Manpower

To back up the expansion of facilities at science and engineering colleges and technical high schools, which are scheduled to increase enrollment next year, W67.5 billion will be invested as appropriated in the budget.

The 1993 enrollment of schools of all levels will be expanded with focus on technology courses as scheduled. At the same time, the government will continue to increase its investment to highest possible degrees to improve the quality of education.

Private industries also have plans to contribute a total of W100 billion over the 1992-94 period to help superior engineering colleges upgrade their facilities.

To open the way for industries to play a positive role in the training of the required manpower, an industrial technology education system will be put in place.

—To resolve shortages of productive manpower, vocational training will be expanded and training facilities upgraded steadily.

The vocational training program at academic high schools, currently limited to third-year students, will be expanded to include second-year students. Eight thousand persons will be trained under this program entrusted to schools.

Vocational training institutes will be established in the Keochang and Kochang areas. Korea Institute of Industrial Technology will open in March 1992.

Measures will be taken to improve treatment for technical and skilled workers. Laws and regulations will be revised to give preferential consideration to persons having state technical qualifications when they apply for various permits and licenses. Also, measures will be studied to grant long-service skilled workers such benefits as an additional national pension, extended medical insurance after retirement, and preferential access to subdivision houses sold to working people.

Supply of Factory Land, Upgrading of SOC Facilities

—The government will continue to expand developments of land for factories next year, with the long-term factory land supply and demand plan through the year 2001 and the occupancy demands taken into account.

By the end of 1991, 7.3 million pyong of land will be parceled out anew mainly to the designated industrial complexes. In addition, 15 complexes involving 11.1 million pyong will be newly designated.

Work will start within 1992 for the 100,000-pyong-scale complexes for lease to be built in Sihwa and Namdong.

Especially, to expand the supply of locations for small and medium enterprises in urban areas, construction of apartment-type factories will be started. Ten buildings for that purpose will be built in eight areas that are designated for permanent-lease houses. Also, such factories accommodating 300 firms will be constructed in subdivision areas.

—To upgrade social overhead capital (SOC) facilities, the government will embark on road, port and harbor, railway, water supply and other related construction projects, using a total of W4.2 trillion appropriated in the 1992 budget. To ease traffic congestions in the metropolitan area, the Seoul-Inchon and Seoul-Suwon free way expansion projects will be completed in July 1992. In investment, priority will be given to the Seoul-Inchon four-track rail-line project and to areas adjacent to major industrial complexes where traffic congestions have been reported.

For the purpose of lowering physical distribution expenses, construction of inland container yards and complex freight terminals will be started in the Yangsan area in South Kyongsang Province and the Pugok area in Kyonggi Province. For dispersal of the massive volumes of goods handled in the metropolitan area, development will be launched of the Asan harbor and Asan industrial complex in earnest.

As a means to expand revenue sources for investments in these projects, realistic revisions of SOC tolls and fees, collection of a container tax, and issuance of bonds to pay for land will be studied positively.

Burma

Dissident Says Pro-Democracy Coup 'Imminent'

BK2802042692 Hong Kong AFP in English 0413 GMT 28 Feb 92

[By Nadeem Qadir]

[Text] Cox's Bazar, Bangladesh, Feb 28 (AFP)—A Burmese dissident leader, Mra Raza Linn, says a military coup is imminent in Rangoon by officers who would help restore democracy.

"There can be a coup any time now in Burma because of growing differences within the military junta," Mra Raza said in an interview in a secret hideout in this southeastern Bangladesh town.

She based her remarks on intelligence reports and pro-democracy Burmese Army officers, claiming that a split between junta leaders Saw Maung and Khin Nyunt was growing, and that both generals were issuing contradictory statements.

Mra Raza, 28, president of the National Democratic Forces of Arakan (NDF) lives in the jungles, from [which] she says she is determined to help restore democracy in Burma.

The NDF is among the 23 organisations which formed the Democratic Alliance of Burma in November 1988, soon after the junta seized power.

The military has held on to power since then, ignoring an overwhelming vote in favor of the alliance in elections in 1990.

Alliance leader Aung San Suu Kyi is kept under house arrest in Rangmo. She won the Nobel Peace Prize last year.

Mra Raza said there was dissent in the military.

"The majority of the defence forces support us and they are slowly getting restless... the eruption is not far away," she said, adding that a coup would have already taken place if Saw Maung had not created an intelligence apparatus to monitor the movements of all Burmese.

Mra Raza said intelligence agents had killed several defence officials who had attempted a coup recently.

"Tha Kyaw, a Ne Win man, lost to the National League of Democracy (NLD) in the Moby area where Burmese Air and Navy headquarters are based, and that proves that military voted for democracy," Mra Raza said.

Ne Win, Burma's former president, is widely believed to be the power behind the junta.

Mra Raza said a large number of military officers and soldiers had defected to the dissidents. The world community should completely isolate Burma diplomatically and economically, she added.

Relations between Dhaka and Rangoon have been strained over a border incident last December and the influx of about 80,000 Moslem refugees, known as Rohingyas, into Bangladesh.

The refugee problem stemmed from the junta's plans to "Burmanise" the country, she said.

"These people are also suppressed like us, but the Rohingya leadership seems to be taking the democratic movement on a religious basis... maybe because they get funds from the Arab world," Mra Raza said.

She said around 1,000 of her people, known as Rakhines, had taken shelter in Bangladesh and that more than 100,000 were in Thailand.

They would soon start activities on Burma's western border as ethnic Karen rebels were doing in the east, she said.

Rakhines are a Buddhist ethnic group which, like the Rohingyas, are concentrated in western Burma.

Commission Annuls Registration of Three Parties

BK2702165692 Rangoon Radio Burma in Burmese 1330 GMT 27 Feb 92

[Announcement No. 1,008 of the Commission for Holding Multiparty Democratic General Elections of the Union of Myanmar (Burma), Dated 27 February 1992]

[Text] Subject: Announcement on deregistration of Peasants Unity Organization, Workers Unity Organization, and Youth Unity Organization as political parties.

1. The Multiparty Democratic General Elections Commission of the Union of Myanmar [Burma] is in receipt of a request from the following registered political parties seeking voluntary annulment of the registration of their parties.

A. Peasants Unity Organization
B. Workers Unity Organization
C. Youth Unity Organization

2. Thus, in accordance with the submissions, the commission thereby declares that the registration of the Peasants Unity Organization, the Workers Unity Organization, and the Youth Unity Organization have been annulled effective 27 February 1992.

By the authority vested in me,

Signed: Aye Maung, secretary

Rebels Ambush Car; 7 Killed, 5 Injured

BK2702162292 Rangoon Burma Television Network in Burmese 1330 GMT 27 Feb 92

[Excerpts] Terrorist insurgents have been disrupting the peace and traquility in various ways by ambushing passing vehicles intending to cause death and injury to innocent villagers. Thus, at 1900 on 23 February a Suzuki vehicle owned by the (?Siddhi) company was ambushed by the KNPP [Karenni National Progressive Party] terrorist insurgents near (Maeset) in Kayah State. As a result of the shooting, seven innocent villagers were killed and five other villagers were wounded. [passage omitted]

The wounded villagers were being treated at (Maeset) people's hospital.

The defense services columns are in hot pursuit of the KNPP terrorist insurgents.

Brunei, Malaysia & Singapore

Malaysia

Minister Says Support for EAEC Benefits Bloc

BK2802035692 Kuala Lumpur BERNAMA in English 0327 GMT 28 Feb 92

[Text] Kuala Lumpur, Feb 28 (OANA-BERNAMA)—The East Asia Economic Caucus (EAEC) should be supported to materialise for the benefit of ASEAN, Malaysian Finance Minister Anwar Ibrahim said Friday.

The EAEC, initiated by Malaysia, is neither a trade bloc nor a fortress that should send the shivers through anybody's spine, he said in a speech to kick off the Institute of Southeast Asian Business' first roundtable meeting here.

He said Malaysia was very committed to this process of regional economic cooperation and integration.

Malaysia believes that this is the right thing to do and the right path to take. This is the time to sacrifice, to set aside differences, to be bold, to be adventurous, to face the current and future international economic challenges, he added.

ASEAN or Southeast Asian nations comprise of Malaysia, Thailand, Indonesia, Philippines, Brunei, and Singapore.

He said that with this in mind, Malaysia was even reviewing its own investment and trade incentives with a view to cutting back elements that were construed by international standard as subsidies and making its economic system competitive.

He said the conference, which discussed various business topics, also agreed to jointly take a leading role to invest in Vietnam and other countries in Indochina.

UMNO To Draft 'Code of Conduct' for Royalty

BK2602142492 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 26 Feb 92

[Text] His Majesty the Yang Di-Pertuan Agong [paramount ruler] Sultan Azlan Shah and their Royal Highnesses the Malay rulers, in another audience with UMNO [United Malays National Organization] Supreme Council representatives today, have agreed to speed up drafting a code of conduct governing royalty. UMNO Vice President Datuk Sri Anwar Ibrahim said during the audience the UMNO Supreme Council was asked to speed up preparations of the guidelines for the code relating to issues agreed upon at the audience yesterday which covered istana [palace] involvement in politics, government administration, and business. Datuk Sri Anwar, who is finance minister, said he and two other party vice presidents Datuk Abdullah Ahmad Badawi and Datuk Sri Sanusi Junid, Party Secretary General Datuk Mohamed Rahmat, and Treasurer Tun Daim Zainuddin had the audience with the rulers at the Istana Negara [State Palace] this afternoon.

In a statement distributed to reporters, Datuk Sri Anwar said the hour-long audience was a follow-up of the consensus reached between the UMNO Supreme Council and the rulers yesterday. He added that the Supreme Council (?would) prepare the guidelines for the code earlier.

Brighter Future of Ties With China Viewed

BK2702115192 Kuala Lumpur Voice of Malaysia in English 0800 GMT 27 Feb 92

[Station commentary]

[Text] China is in close rapport with Malaysia and other developing countries in the region in the environmental issue. Its State Councillor and Science and Technology Commission Chairman Dr. Song Jian, who is currently in Malaysia on a weeklong visit, said the major share of the burden of the cleaning up of the environment should be borne by the developed countries.

He has based his call on the fact that 80 percent of carbon dioxide emitted into the atmosphere is caused by the industrialized countries, thus contributing to greater environmental pollution. This is not to suggest that the developing countries do not have their share of responsibility in environmental protection. The important thing is that they are not shirking their responsibilities and are doing (?everything) to promote a cleaner environment.

The developing nations will be holding their second ministerial meeting on environment and development in April in the capital city Kuala Lumpur. It is aimed at reaching a consensus before they attend the UN Conference on Environment and Development, UNCD—otherwise known as Earth Summit. Environmentalist groups of Europe and America have been using the developing countries including and especially Malaysia as their easy targets for laying blames for environmental pollution. The felling of trees in the tropical areas, for example, has come under vicious attack by these groups who seem to be ignorant to the forestry and environmental policies of these countries. The term indiscriminate felling has often been used indiscriminately. There are other issues, too, pertaining to the environment where the developing nations have been subjected to severe criticism.

The ministerial meeting in April will [word indistinct] to ensure that the developing nations will speak collectively and effectively to counter the smear campaign which is likely to be carried into proceedings of the Earth Summit. It is encouraging to note that China will be sending a senior delegate to the KL meeting to give his country's views on environmental protection. Apart from the environmental issue, China and Malaysia have sought each other's cooperation in other areas for their mutual benefit. Dr. Song and the other members of the delegation are here to discuss ways in which the two countries can work together in new joint efforts in science and technology. The memorandum of understanding that has been drafted and awaiting approval of both governments marks a new beginning cooperation in science and technology. This cooperation is proposed to be in the form of an exchange of experts and scholars in the field of science and technology information as well as through technical seminars and joint research programs.

Since re-establishment of full diplomatic relations, there have been tremendous growth in ties and bilateral cooperation between China and Malaysia. The visits of their majesties the king and queen to China last September and the reciprocal visit by President Yang Shangkun to Malaysia last month during which the president expressed China's full support for the Malaysia initiated proposal for the establishment of the East Asia Economic Caucus, EAEC, have added a new dimension to the cordial relationship between the two countries.

This continued close cooperation in various fields of endeavor both China and Malaysia can expect the bond to flourish even further in the years to come.

Singapore

Ministry Issues Report on 1992 Economic Forecast

BK2702125892 Singapore THE STRAITS TIMES in English 27 Feb 92 p 1

[By Phua Kok Kim]

[Text] Singapore's economic growth prospects this year continue to be uncertain.

Since the government's last tentative forecast made last November of 5-7 percent growth for this year, "developments in the world economic situation have not improved the picture of uncertainty", the Ministry of Trade and Industry said yesterday.

In releasing the 1991 economic survey yesterday, the ministry said that "the slower than expected recovery of the U.S. economy and low growth rates in Europe and Japan are likely to dampen our prospects for 1992".

The annual economic report card showed that Singapore's gross domestic product, or total output, grew by 6.7 percent last year.

This is slightly higher than the 6.5 percent figure announced by Prime Minister Goh Chok Tong in his new year address.

But 6.7 percent is still the lowest rate of growth since 1986 when the economy grew by 1.8 percent as it pulled out of the recession.

The main reason for the slower economic expansion here was the sharp dip in domestic demand.

It fell to 4.9 percent from 14 percent in 1990 due mainly to weaker growth in private capital investment.

On the other hand, external demand slackened marginally last year to 10 percent from 12 per cent in 1990 because of the slowdown in the industrial countries and effects of the Gulf war.

On the home front, overall productivity growth slumped to a record low of 1.5 percent. The ministry attributed this to slower growth in the major economic sectors, namely, manufacturing and financial and business services.

It said, however, that the productivity gain each year is strongly influenced by cyclical factors.

Smoothening over the yearly fluctuations, Singapore's productivity growth over the last five years averaged 3.8 percent. This, it pointed out, was still "at the higher end of our long-term target of 3 to 4 percent".

For the third year running, real wage increase outstripped productivity gains last year with the gap between them continuing to widen.

With a real wage rise of 7.6 percent, the difference was 5.1 percentage points, or the largest since 1985.

An indication of the Republic's declining competitiveness was the rise in manufacturing costs here.

Singapore's unit labour cost, relative to the other Asian newly industrialising economies (NIEs), namely Taiwan, South Korea and Hong Kong, grew by 7.5 percent.

Furthermore, the unit business cost index, which measures the total costs required to produce a unit of manufacturing output, grew by 5 percent and reached the 108.3 index level.

This was even higher than in the 1985 recession when the index was 104. The economy's star performer last year was the construction sector, which expanded by a robust 21 percent.

However, manufacturing and financial and business services, the two largest economic sectors contributing more than half of Singapore's total output, turned in the lowest growth rates.

Financial and business services expanded by 5.4 percent, which was its first single-digit growth since 1986 when the sector shrank by one percent.

Manufacturing growth slowed to only 5.3 percent growth compared to 9.5 percent in 1990. For the first half of this year, manufacturers' expectations of business have not picked up either.

The majority, or 68 percent, of those surveyed see no change in business conditions and 16 per cent each expect to see an improvement and deterioration in conditions—resulting in a net zero balance.

Excluding the negative sentiment expressed during the Gulf war last year, this is the most dismal outlook reported since the first quarter of 1986, said the ministry.

The outlook of the commerce and services sectors was mixed.

Arms Manufacturer Unveils Three New Products

BK2802051192 Singapore THE STRAITS TIMES in English 28 Feb 92 p 21

[By Matthew Pereira]

[Text] Singapore arms manufacturer CIS [Chartered Industries of Singapore] has unveiled three new products, including a compact thermal imager, at Asian Aerospace '92.

The thermal imager, built jointly with Canadian arms manufacturer Bendix Aveleix, gives "vision" to the soldier even in complete darkness by detecting infra-red heat radiated from objects.

Called Actis, it took two years to develop.

The other two products are weapons: The 52 calibre 155-mm Field Howitzer, which has a longer range than previous howitzers, and the 40AGL automatic fire grenade launcher.

The Gulf war showed how vital an asset the thermal imaging system was for armed forces to operate during day and night. The allied troops used it widely and effectively against the Iraqi soldiers.

This is the first time that CIS is venturing into electro-optical technology. It said that the 5-kg Actis was now the most advanced of its kind.

Being compact and light, it is suitable for a variety of applications, including surveillance on the battlefield.

Yesterday was the first official trade day after the show was opened by Deputy Prime Minister and Trade and Industry Minister Lee Hsien Loong on Tuesday.

It will be open to the public only at the weekend, and is regarded as one of the three most important aerospace shows in the world.

There is also a special segment on defence equipment and another on airport products.

The new 52 calibre 155-mm Field Howitzer is on display in the defence segment. Calibre is indicative of the reach of the gun, and the CIS model can hit a target as far as 40 km away.

This gun was developed specially for longer and extended ranges and has a range of 10 km more than the FH88, also a CIS-produced howitzer.

CIS is promoting the automatic grenade launcher as the "infantry's own artillery".

This is because it fills the gap where medium machine guns' effectiveness ends and that of mortars begins.

It can fire high-explosive 40-mm grenades. In all respects, the grenade that this weapon shoots is similar to the handthrown ones, except that, with the new weapon, the soldier can reach a range of about 2 km and deliver about 350 rounds a minute.

The CIS is also displaying its powerful anti-tank weapon, the Armbrust, which informed sources say has seen action in several countries in the region as well as further abroad.

Export sales of this weapon, which is produced jointly with German arms makers MBB [expansion unknown], are estimated to be in the region of US$10 million (S$16.5 million). CIS is now the sole producer of the Ambrust.

Deputy Premier Unveils Plan for Aerospace Center

BK2802051992 Singapore THE STRAITS TIMES in English 26 Feb 92 p 1

[Text] Singapore aims to become a "one-stop" centre for aerospace activities and the building of the Changi Aviation Industrial Complex is a step towards this target.

Deputy Prime Minister Brigadier-General [BG] (Res) Lee Hsien Loong announced this aim for the country's aerospace industry when he opened the exhibition Asian Aerospace '92 yesterday.

The opening ceremony was attended by distinguished overseas visitors, including ministers, chief executive officers of major industry players, and senior military officials.

He said Singapore will continue to develop facilities for this anticipated growth in aerospace activities which should see an output of S$2 billion [Singapore dollars] by 1995.

The new multi-million dollar industrial complex at Changi South, which will cover an area of 56.5 ha, will have runway access and another 36.8 ha for purpose-built facilities. It is expected to be completed in 1994.

But "what Singapore is doing many other countries in the region are also undertaking", he noted.

"With Asia-Pacific economies maintaining healthy growth rates and airlines in the region expanding their operations, the aerospace industry in this region is poised for greater progress and development."

Singapore's aerospace industry, which started in the 1970s by servicing airlines like Quantas and the then-Malaysia Singapore Airlines, has expanded to cover a spectrum of activities carried out by six key Singapore companies and 60 leading MNCs.

He observed: "In Singapore, aerospace activities focus on the manufacture of aircraft parts and components. This draws on precision engineering skills developed by the industry over the last 20 years."

Currently, Singapore Aerospace builds fuselage doors for Airbus and makes landing gear for British Aerospace executive aircraft.

Another company, Bendix King, also does significant engineering design and development of avionic equipment, especially in navigation and communications systems.

Other projects include the PW4000 aircraft engine programme with Pratt & Whitney, and Singapore Aerospace joint-venture to develop the P120 New Light Helicopter with Aerospatiale of France and China National Aero Technology Import and Export Corporation (CATIC).

They are projects which have contributed to the transfer of technology and the upgrading of existing capabilities, he said.

BG Lee, who is also the Trade and Industry Minister, also observed how the Asian Aerospace show, which now ranks as the third largest air show in the world after Paris and Farnborough, serves the "growing and increasingly sophisticated requirements of the Asia-Pacific masrket".

"Despite the economic slow down in the developed economies, the Asia-Pacific continues to be one of the fastest growing regions in the world.

"It has become a large growth market for aerospace and defence equipment."

Asia-Pacific countries are also beginning to enter the industry as manufacturers and suppliers. He cited a few examples:

Japan's risk-sharing partnership to develop the V2500 aircraft engine. It also produces airframe assemblies and takes part in the development of wide-bodied aircraft;

China assembles the MD80 series aircraft;

Taiwan hopes to be involved in the development of wide-bodied commercial aircraft;

Indonesia has developed indigenous engineering capability to design and manufacture the new N250 commuter aircraft.

"These developments," he noted, "reflect the expansion and diversification of critical aerospace activities throughout the region. They give international investors opportunities to set up partnerships and undertake joint development projects."

Afer the opening, he was given a guided tour of the show at the main exhibition hall where he was brought to the Singapore Pavilion to look at the products of Singapore Aerospace and Chartered Industries. He then moved on to view the products of Indonesian aerospace companies and other European companies.

The exhibition is a showcase for the products of 1,100 defence and aerospace companies from 40 countries.

It covers 20,000 sq m of hall and runway space at the Changi International Exhibition and Convention Centre in Nicoll Drive.

Cambodia

Sihanouk Tours Khmer Rouge-Held Zone 27 Feb

BK2702132692 Hong Kong AFP in English 1310 GMT 27 Feb 92

[Text] Pailin, Cambodia, Feb 27 (AFP)—Prince Norodom Sihanouk asked Khmer Rouge leader Khieu Samphan and his followers at their headquarters here in western Cambodia on Thursday to fully follow the peace agreement ending the civil war.

"This is a new chapter in our history. Every Cambodian has to respect each other and respect national solidarity," the prince told 3,000 Khmer Rouge soldiers and civilians, many of whom said they were trucked into this gem-rich town from the Site-8 border camp under Khmer Rouge control.

"We have to respect the Paris agreement 100 percent in order to have Cambodia 100 percent independent and sovereign," he said.

The prince was on the second leg of his unification tour to all zones controlled by former guerrilla factions that had fought to oust the Phnom Penh government since the Khmer Rouge were overthrown by the Vietnamese in 1979.

Journalists were allowed into the zone during the visit for the first time in years. The city was heavily damaged during fighting when the Khmer Rouge retook the area from Phnom Penh government control in early 1990. Only a few buildings remained standing, and among them the only ones with four walls were the old movie house, a few shops selling food and the Khmer Rouge and U.N. cease-fire observer offices.

The helicopters carrying the prince and diplomatic corps flew at 1,000 meters (3,000 feet) with their doors closed due to the attack on a U.N. helicopter the day before in which the commander of the Australian contingent was injured.

"For one or two weeks we have to fly very high," U.N. military chief Brigadier General Michel Loridon said. He said he was sure the Khmer Rouge did not carry out the attack.

"They have no interest in shooting the day before the prince's visit to Pailin," he said. "I think it is an accident."

"For two decades we have only known disputes," the prince said. "We have to relearn peace, its significance, its importance. So I came here to encourage our compatriots (the Khmer Rouge) to persevere in the path of national reconciliation."

During a tour of the United Nations Advance Mission in Cambodia (UNAMIC) station in Pailin, Khmer Rouge leaders Khieu Samphan and Son Sen were told along with the prince that UNAMIC was not receiving full cooperation. Loridon has previously charged that Khmer Rouge officials were blocking the peace process by not allowing freedom of movement for U.N. officers.

Asked about the obstruction charges, Khieu Samphan said only: "We have to be sure the country is rid of Vietnamese." The statement was a reference to U.N. verification, which is due to begin after peacekeeping troops deploy next month, of the Vietnamese troop withdrawal.

Hanoi has said all its troops withdrew in 1989, but the Khmer Rouge has continually charged that attacks are still being carried out by Vietnamese forces.

Prince Sihanouk made a brief walking tour of what remains of the downtown area and inspected what the Khmer Rouge call their headquarters, although diplomats and U.N. officials have said they don't really believe the building represents the actual headquarters of the Marxist faction. He was due to return for private talks with Khmer Rouge officials on Friday, but the press and diplomatic corps were not invited to accompany him.

Loridon refuted charges by the Khmer Rouge that the United Nations was abusing its privilege attempting to plant spies in their area.

"It's their problem," Loridon said. "They are wrong. We don't abuse. We are here to make peace, not to annoy anybody. They don't have to worry about spying with us."

24 Feb Banquet in Battambang Honors Sihanouk

Sihanouk Thanks Attendees

BK2802072192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 27 Feb 92

[Speech by His Royal Highness Prince Norodom Sihanouk at 24 February banquet held in his honor by Hun Sen in Battambang Provincial Town—partly recorded in Cambodian and partly in English fading into Cambodian translation by unidentified announcer]

[Text] [Begin recording] [Sihanouk, in Cambodian] My respects to His Excellency Hun Sen, chairman of the Council of Ministers of the State of Cambodia's Government, and wife; my respects to all excellencies, ladies, gentlemen, compatriots, and all my beloved children:

I would like to ask my most esteemed and most beloved prime minister, venerable monks, and all beloved compatriots and children to please allow me to make my speech in English so that our foreign friends can understand [words indistinct]. I would like to speak both in national and international languages while you and our foreign friends are enjoying your food. I would like to speak in English so that our friends can understand. His Excellency [name indistinct] will translate my speech to his excellency the prime minister and you, children, should translate it for the others. Therefore, I must apologize for speaking in English as well.

[Sihanouk, in English, fading into Cambodian translation by unidentified announcer] The prince said that he was very happy to be able to meet all his children on this beautiful land of Battambang Province again. At the same time, he thanked the excellencies and their wives, various ambassadors, diplomats, representatives of various international organizations, and the UN Advance Mission in Cambodia [UNAMIC] for spending their precious time on this visit to Battambang Province.

The prince also expressed his heartfelt thanks to Their Excellencies Chea Sim and Hun Sen and the CPP for polling all might and main in implementing the national reconciliation policy and particularly the peace agreement that the four Cambodian parties must constantly respect.

The prince added that we are now beginning to rebuild a liberal democratic system as in the Sangkum Reas Niyum [Sihanouk's pre-1970 Popular Socialist Party] era. [end recording]

Hun Sen on 'Important Mission'

BK2702143592 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 27 Feb 92

[Speech by Hun Sen, chairman of the Council of Ministers and member of the Supreme National Council, at 24 February banquet held for Prince Norodom Sihanouk upon his arrival for visit in Battambang Provincial Town—recorded]

[Text] My respects to his royal highness the head of state and chairman of the Supreme National Council [SNC] and the royal consort; my respects to His Excellency [H.E.] Ataul Karim, head of the UNAMIC [UN Advance Mission in Cambodia], and all beloved excellencies who are representatives of friendly countries to the SNC; dear ladies and gentlemen:

It is a great honor for Battambang town and the people in Battambang Province to once again welcome the lofty patriotic mission of his royal highness the esteemed head of state and the royal consort.

This is the most important and historic mission in the national reconciliation process.

On behalf of party and government of the State of Cambodia [SOC] as well as the Battambang Provincial People's Committee, I would like to express deepest thanks to your royal highness for taking Battambang Province as the starting point for your trip to the three other regions.

This (?visit) has given a great honor for me and the Cambodian People's Party [CPP] and the SOC Government to contribute to serving this national reconciliation mission of your royal highness and the royal consort.

At the same time, I would like to thank H.E. Ataul Karim and all excellencies representing the friendly countries for their active participation to bring success to the mission which will begin tomorrow.

I hope that with the assistance of the UNAMIC, both civilian and military, this mission to be carried out from the SOC zone to the other three zones will be very successful and safe.

I would like to assure your royal highness and the royal consort that I will do my best for you to successfully fulfill this important mission. No other person, except for your royal highness and the royal consort, can carry out this difficult task. Your royal highness has cemented into one a Cambodia which used to be divided into four parts. I regard this trip as a historic one which is no less significant than the agreement signed in Paris. On the contrary, this mission is enabling the essence of the Paris agreement to materialize.

On behalf of the party and government and the authorities in Battambang Province, I would like to extend best wishes to your royal highness the head of state and the royal consort. May you enjoy the five blessings of Lord Buddha.

May all excellencies, ladies, and gentlemen enjoy success in this historic mission. [applause]

Responses to Attack on UNAMIC Helicopter Noted

Soviet Missiles Used

BK2802041792 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 27 Feb 92

["Report on Shooting of a Helicopter of the UN Advance Mission in Cambodia [UNAMIC] in Kompong Thom Province"]

[Text] 1. According to a reliable report, a UNAMIC helicopter was attacked by three Soviet-made remote-controlled missiles;

2. The Party of Democratic Kampuchea does not have either the remote-controlled missiles or ordinary anti-aircraft missiles. Those missiles belong to the Vietnamese troops who are the experts;

3. The report adds that the Vietnamese commanders in Phnom Penh and the man called Pol Saroeun, chief of the Army General Staff of the Phnom Penh faction, have clearly established the plan, the location, and the time of the attack, meaning the time when Prince Norodom Sihanouk traveled to Battambang and Pailin;

4. It is further reported that Phnom Penh and the attackers communicated to each other through their secret (?5-meter band radio) that cannot be detected; and

5. After the Vietnamese and Pol Saroeun completed their plan, the Phnom Penh faction sent a report to Battambang for the purpose of serving their propaganda prior to the oncoming travel to Pailin of the prince head of state and chairman of the Supreme National Council, who was staying in the province at that time.

Factions Agree To Assist UN Inquiry

BK2802095992 Hong Kong AFP in English 0939 GMT 28 Feb 92

[Text] Phnom Penh, Feb 28 (AFP)—Cambodia's four previously warring factions agreed Friday to cooperate fully with an investigation into an attack on a United Nations helicopter this week.

"They all agreed to make an accurate inquiry into the incident of the helicopter," said Brigadier General Michel Loridon, who commands the military contingent of the United Nations Advance Mission in Cambodia (UNAMIC).

"This is very important," he said.

Loridon chairs the committee of generals from the four factions who meet every week to sort out the end of the nearly 13-year-old civil war.

He previously has said he believed the incident was an accident.

Lieutenant-Colonel Russell Stuart, who was instrumental in putting the group together, was shot in the leg and elbow Wednesday when his UN helicopter on a reconaissance mission was attacked over territory controlled by the Khmer Rouge and forces loyal to Prince Norodom Sihanouk.

The group met Friday without him.

"I told them today, 'You can't prevent me from doing my job,'" Loridon said. "If somebody is injured I find somebody to replace him and the peace process will continue."

The factions decided to send a get well message to Stuart, who is recovering in a Bangkok hospital and is due to return in a month, Loridon said.

PDK Asserts Innocence

BK2802045092 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 27 Feb 92

["Communique of the Party of Democratic Kampuchea [PDK] Rejecting the Phnom Penh Faction's Accusation That the PDK Has Shot a Helicopter of the UN Advance Mission in Cambodia [UNAMIC]"—dated 27 February; read by announcer]

[Text] 1. The Phnom Penh faction's radio has broadcast a press communique from the spokesman of the Phnom Penh Defense Ministry directly accusing the PDK [Party of Democratic Kampuchea] of shooting the UNAMIC [UN Advance Mission in Cambodia] helicopter;

2. The direct and prompt accusation by the Phnom Penh side alone that the PDK has shot the UNAMIC helicopter is clear evidence that the charge is a premeditated work and a premeditated plan that includes the shooting of the UNAMIC helicopter and the instant press communique putting the blame on the PDK. This is the method of "thief shouting stop thief" that the Vietnamese aggressors have usually employed as their dark maneuvers. That being the case, it is the Vietnamese aggressors and the Phnom Penh side that have carried out the action but not the PDK;

3. Concerning the shooting of the UNAMIC helicopter in Kompong Thom Province, the PDK wishes to declare to those holders of national and international opinion that it has no knowledge whatsoever of the matter and has never thought about shooting either the UNAMIC helicopter or the UNAMIC personnel at all. It is the PDK as well as the Cambodian nation and people who have conducted the struggle against the Vietnamese aggressors and occupiers of Cambodia in order to liberate and safeguard the nation, and it is the PDK that has joined hands to carry out the struggle to achieve the Paris accord and have a UN force supervising and controlling the complete withdrawal of Vietnamese aggressor forces from Cambodia and the Armed Forces of the four Cambodian parties with the aim of establishing neutral and stable political conditions to organize elections under the UN supervision.

The questions asked should instead be: Who has invaded Cambodia? Who has opposed the achievement of the Paris accord? Who has opposed stationing a UN force in Cambodia? It is the Vietnamese aggressors and the Phnom Penh faction themselves, and this constitutes the ostensible motive and strategic origin of the matter.

The Cambodian people and the world have already been aware of the problem. The Vietnamese aggressors and the Phnom Penh faction can no longer fool anyone. In addition, the Vietnamese aggressors stationed all over Cambodia are invading and occupying the country, including the provinces and Phnom Penh. The Vietnamese aggressor forces and the Phnom Penh faction continue to send their troops to attack this or that area without end.

According to reliable reports that we received from Cambodian soldiers stationed in Kompong Thom about a fortnight ago, the man called Chieng Am, the top responsible official in Kompong Thom, ordered the Phnom Penh faction's Division 5 to plant mines on roads to be used by American reporters and UNAMIC officials to travel to Po Pok commune in Stoung District. This kind of dark scheme has typically been employed by the Vietnamese aggressors to accuse their enemies. In the war of aggression against Cambodia, the Vietnamese and the Phnom Penh faction have frequently worn the uniforms of the national forces of Democratic Kampuchea [NADK], as well as camouflage uniforms, in order to plunder the people with the intent of fooling the people into blaming the PDK and the NADK. The Vietnamese aggressors and the Phnom Penh faction have also devised strategic plans to sabotage and disturb the UNAMIC through all kinds of maneuvers and methods. They have constantly devised plans and waited for the opportunity to disseminate their propaganda, shoot, or murder the UNAMIC personnel or other international agencies' staff. The Vietnamese distinctly knew that Prince Norodom Sihanouk, head of state and chairman of the Supreme National Council [SNC], was preparing to make his first visit to Battambang, so the men called Chea Sim and Hun Sen threatened the prince with the warning that if the prince goes to Battambang, they—Chea Sim and Hun Sen of the Phnom Penh faction—would not be able to insure security for him. Because, according to Chea Sim and Hun Sen, the PDK's special forces have entered the Battambang town to murder the prince when he goes there and so on. However, the general public asks: To what group does the commando belong?

4. We are not able to produce all the evidence at the moment. We only wish to account for the true nature of those who are invading Cambodia, those who have been victimized, those who have destroyed the accord, and those who have supported the correct and meticulous implementation of the accord. We have only invoked some evidence as an example to show the Vietnamese aggressors' and the Phnom Penh faction's dark maneuvers in carrying out various activities to sabotage the UNAMIC and other people through this or that method with the aim of hurling accusations on the PDK. The incident in Phnom Penh on 28 November 1991, the execution of Mr. Tea Bunlong [a senior official of the Phnom Penh Cultural Department], the crack down on and killing of demonstrators in Phnom Penh, and the armed attack on Mr. Ung Phan [former Phnom Penh communications minister] are part of the strategic plan concocted by the Vietnamese aggressors and the Phnom Penh faction; and

5. How to clear the groundless accusations endlessly made by the aggressors to serve their political aim? Only joint monitoring of the cease-fire implementation, joint verification of Vietnamese aggressor forces throughout Cambodia, and joint supervision of the Armed Forces of the four Cambodian parties by the two transitional authorities—the UN Transitional Authority in Cambodia and the SNC chaired by Head of State Prince Norodom Sihanouk—meaning only the execution of the Paris accord in conformity with its significance and according to the concrete facts can all kinds of accusations and propoganda be put to an end, thereby resolving the issue of security and peace for Cambodia and the issue of security and peace of Cambodia within its independence.

[Dated] 27 February 1991

More Accusations of Khmer Rouge Non-Cooperation

Foreign Accusations Rejected

BK2802061392 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 27 Feb 92

["Denial of the Party of Democratic Kampuchea [PDK] of Some Foreigners' Accusations that the PDK Have Breached the Cease-Fire Agreement and the Paris Accord"—date not given; read by announcer]

[Text] I. According to a series of reports, some foreigners have hinted at accusing Democratic Kampuchea [DK] of breaching the cease-fire agreement and the Paris accord and so on;

II. The Voice of the Great National Union Front of Cambodia radio wishes to categorically reject the hinted accusations as in the past, at the present time, and in the future likewise, because the reality is as follows:

1. Is DK an aggressor of Vietnam and the Vietnamese people? Or is it the Vietnamese aggressors, who have invaded and occupied Cambodia, causing untold disaster to the people for more than 13 years so far? The foreigners have remained tight-lipped about the presence of the Vietnamese aggressor forces, but have instead confirmed that they have already unilaterally and completely withdrawn from Cambodia since 1989 with no verification by any international organization or any UN peacekeeping force. However in this situation, is it true that the Vietnamese aggressor forces have already completely withdrawn from Cambodia or are they still invading and controlling the country?

Clause C, Annex 1 of the Paris 23 October 1991 accord clearly stipulates that the UN Transitional Authority in Cambodia [UNTAC] should verify the withdrawal from Cambodia of all categories of foreign aggressor forces and their non-return. So according to the clause, it is sufficiently evident that foreign aggressor forces are still stationed in Cambodia and that UN verification for this is inevitably needed. The Vietnamese aggressor forces currently remain in Cambodia invading and controlling the country. If the Vietnamese aggressor forces are invading and occupying Cambodia, the Vietnamese war of aggression against the country will automatically continue for the purpose of serving their strategic goal of occupying Cambodia forever militarily, politically, and diplomatically.

2. DK as well as the entire Cambodian nation and people are the victims of the Vietnamese aggression. They have struggled against the Vietnamese aggressors for liberating and safeguarding Cambodia, preventing the country from becoming a second Kampuchea Kraom. They have jointly carried out struggle to achieve the Paris 23 October 1991 accord for settling the Cambodian problem through comprehensive political means, thereby forcing all categories of foreign forces to withdraw from Cambodia to allow Cambodia to regain peace within a state of genuine independence. As for the Vietnamese and their cronies, they have repeatedly opposed the achievement of the Paris accord for a comprehensive political solution to the Cambodian problem. As such, it is DK and the Cambodian nation and people who yearn for peace within Cambodia's independence. As for the Vietnamese aggressors, their true intention is to implement the strategy of sabotaging the Paris accord for settling the Cambodian problem through a comprehensive political solution so they can further control the country.

3. The entire Cambodian nation and people as well as the peace- and justice-loving countries the world over, who have already seen the real substance of the issue, are currently joining hands to do whatever they can to ensure that the Paris accord is correctly and meticulously executed.

4. The essence of His Excellency Khieu Samphan's appeal and that of his letter to the UN secretary general and the cochairmen of the Paris international conference on Cambodia has clearly and completely shown the core of the issue of the Paris accord's implementation.

5. We wish to again reaffirm that it is indispensable that a UN peacekeeping contingent speedily and meticulously verify the withdrawal from Cambodia of all categories of Vietnamese invading and occupying forces and the armed forces of the four Cambodian parties in conformity with the significance of the Paris accord. This is to avoid accusations from left and right and to correctly implement the Paris accord for ending the Vietnamese aggression against Cambodia.

UN Complaints Detailed

BK2802073192 Hong Kong AFP in English 0719 GMT 28 Feb 92

[By Sheri Prasso]

[Text] Phnom Penh, Feb 28 (AFP)—From refugee repatriation to human rights, from mapping to demining, United Nations and other international organizations are charging the Khmer Rouge with being uncooperative in implementing the peace plan ending Cambodia's civil war.

Within the last week, the heads of the United Nations High Commission for Refugees (UNHCR), United Nations Advance Mission in Cambodia (UNAMIC) and the International Committee of the Red Cross (ICRC) have told AFP that Khmer Rouge officials are not allowing free access in areas they control, and thus are stalling the work needed to implement the peace treaty.

UNAMIC needs to survey Khmer Rouge zones in order to make arrangements for demining, pre-election mapping and the deployment of thousands of peacekeeping troops throughout Cambodia.

The ICRC needs to see if any political prisoners or prisoners of war are being held by the Khmer Rouge, and to supervise their release if any are found.

The UNHCR needs to inspect Khmer Rouge areas where several thousand refugees in Thai border camps are due to return in a massive repatriation program.

"We can't take people into the unknown" said UNHCR's Sergio Vieira de Mello, who on a visit to Khmer Rouge nominal headquarters in Pailin on Thursday asked the Khmer Rouge leadership to let him inspect the areas.

"We have to see the place to make sure the land is fertile, the available water supply is sufficient, that it's not hyper-endemic with malaria, and make sure the general security is acceptable, which is what we've done in other parts of Cambodia," he said. "They (Khmer Rouge leaders) said they would come back to me on it."

But he and other peace treaty implementors here are expressing growing frustration with the Khmer Rouge's studied silence in the face of their requests.

UNAMIC military chief Brigadier General Michel Loridon has been trying to set up small committees of generals from each of the four previously warring factions in the four zones of control.

While the Khmer Rouge agreed more than a month ago, and Loridon—after a show of anger and frustration—gave them a Saturday deadline to be in place and to allow other faction generals in Pailin, the deadline will not be met.

"They said the beginning of next week, from Monday to Wednesday," Loridon said Friday after the weekly meeting of generals.

Loridon and Khmer Rouge officials have traded barbs over the issue. Khmer Rouge radio charged the United Nations with trying to send in spies.

"They are wrong," Loridon said Thursday. "They have not to be afraid of spying for our part."

Asked about the obstruction charges during the visit to Pailin, Khieu Samphan said only: "We have to be sure the country is rid of Vietnamese."

The statement was a reference to U.N. verification of Vietnamese troop withdrawal which is due to begin after peacekeeping troops deploy next month.

Hanoi has said all its troops withdrew in 1989, but the Khmer Rouge has continually charged that attacks are still being carried out by Vietnamese forces.

"I don't see how they can continue using the Vietnamese as an excuse," Vieira de Mello said.

The ICRC's Jean-Jacques Fresard has also been trying for months to inspect for political prisoners and prisoners of war in Khmer Rouge territory.

Under the peace treaty, the ICRC is charged with supervising prisoner releases. It has determined that two other factions hold no prisoners and the Phnom Penh government is gradually letting its prisoners free.

A planned inspection this week was cancelled "for security reasons," Fresard said, and a new date has not yet been determined.

Pailin Reportedly Not Khmer Rouge Headquarters

BK2802021492 Hong Kong AFP in English 0134 GMT 28 Feb 92

[By Sheri Prasso]

[Text] Pailin, Cambodia, Feb 28 (AFP)—This pretty little facade of a gem town in ruins is called the headquarters of the Khmer Rouge.

Prince Norodom Sihanouk has included it in his unification tour of Cambodia's formerly warring factions, and the United Nations Advance Mission in Cambodia (UNAMIC) has set up a liaison office here.

But while a three-story building dominating the city center pretends to be the seat of Khmer Rouge power—

one of the only buildings left standing after heavy fighting in 1989—no outsiders actually believe top Khmer Rouge decisions are made here.

"I've only ever seen the cook go in there," joked one U.N. cease-fire observer at the United Nations Advance Mission in Cambodia (UNAMIC) office directly across the street from the headquarters building.

U.N. officials and other observers believe the real leader of the Khmer Rouge—Pol Pot—is still calling the shots from an unknown jungle position. That is the real Khmer Rouge headquarters, they say.

And while Khmer Rouge nominal leaders Kieu Samphan and Son Sen continue to refuse to allow U.N. military officers free access to all areas they control, the real seat of power will remain unknown.

But as long as the United Nations can have access through here to the Khmer Rouge power center, picking out its true location is a moot point.

It's so moot, in fact, that the United Nations is reluctant to even raise it.

"They say it's their headquarters, and for our purposes it is. Who am I to say that it's not?" one senior U.N. official said.

"As long as we can get done what we need to do, it really doesn't matter what they call their headquarters," he said.

Still, while it may not be the beating heart of power, the ruined city provides the life blood of the Khmer Rouge—gems.

Seams of precious sapphires run through this valley at the base of the misty Cardamon Mountains, and scratches of earth where they have been dug out put the only blemishes in an otherwise serenely forested landscape.

The resulting abounding wealth appeared to have clothed the city's civilians in finery.

All 3,000 people lined up in cheering squads to greet the prince Thursday—untold numbers of whom were trucked in from Site-8 border refugee camp—were dressed in brand new, brightly colored clothes, sandals and stockings.

The place was so strategically and economically important, the Khmer Rouge launched an offensive in 1989 to take it back after Vietnamese troops withdrew. They won in early 1990.

The result of the heavy fighting is still evident in the shells of what were houses on the main street which are still littered with ordinance and the rusted remains of artillery. UNAMIC soldiers routinely come across live ammunition, and what appeared to be a captured Vietnamese tank was parked in plain view.

A three-story pagoda built by migrants from Burma took a mortar shell in its dead center, and the spray of shrapnel left open wounds on its exterior walls.

Many of the townspeople seemed afraid to even acknowledge foreigners, and had no reaction whatsoever to a smile or greeting. "After years of not being able to do anything without an order, what do you expect?" one official on the trip said. "They're probably terrified."

Indonesia

Government Prepares for Arrival of Portuguese Ship

Ship Ready To Defy Indonesia's Warning

BK2702043292 Melbourne Radio Australia in English 0300 GMT 27 Feb 92

[Text] Members of a Portuguese protest mission now in the northern Australian city of Darwin say they will defy warnings by Indonesia and go to East Timor. The protestors aboard the ship, Lusitania Expresso, planned to sail from Darwin to the East Timorese capital, Dili—the scene of last year's massacre of civilians—and an Indonesian Government's probe concluded that 50 people were killed, but the other sources put the toll much higher. This report from Mark Bowling in Darwin:

[Begin recording] [Bowling] Among the 140 passengers planning to leave from Darwin next is Portuguese journalist, (Manuel Lacasio). He says the mission to land in Dili and lay wreaths for those who died in last November's massacre will go ahead even if Indonesia has stationed naval vessels off the East Timorese coast.

[(Lacasio)] We are [words indistinct] we do not come back soon.

[Bowling] You are willing to risk your life?

[(Lacasio)] Yes. We won't risk our life. The only thing we can say now is that we are going to resist to [words indistinct]. [end recording]

Legal Procedures To Be Taken

BK2802014392 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 28 Feb 92

[Text] Foreign Minister Ali Alatas says the Indonesian Government will resort to international and national legal procedures to cope with the planned voyage of the Portuguese ship Lusitania Expresso. Speaking to reporters after he held talks with Netherlands Foreign Minister Hans van den Broek in The Hague yesterday, Alatas expressed his hope that the issue would be settled peacefully.

Replying to a question on Indonesia's foreign assistance, Alatas stressed that Indonesia will never accept foreign assistance with political strings attached. Meanwhile, the Netherlands foreign minister said his government will continue to closely monitor the Indonesian Government's moves related to the 12 November 1991 Dili incident. In his talks with Netherlands Minister of Cooperation and Development Jan Pieter Pronk, Alatas reiterated President Suharto's remarks that no Dili-type incident will recur in the future.

After visiting Switzerland, Britain, Belgium, Japan, the United States, Canada, and France, Alatas is due in Spain today and will proceed to Germany afterwards.

Motive of Ship Pondered

BK2802034792 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 28 Feb 92

[Station commentary]

[Text] The government continues to receive calls to take a firm stand against the planned arrival of the Portuguese ship Lusitania Expresso in Dili, East Timor. It was reported that the ship will carry a number of Portuguese youths intent on showing their sympathy to the victims of the 12 November 1991 Dili incident. Government officials, members of parliament, and leaders of political parties and social organizations have all come to the same conclusion that the plan to offer flowers at Dili's Santa Cruz cemetery is nothing but a provocative act which may incite fresh incidents.

Several political and legal experts view the plan as a violation of a country's sovereignty and an offense to international and national law. Preliminary reports reaching our country said the ship will enter Indonesian waters on 27 February. However, the latest press release from the Indonesian Armed Forces' Information Service in Jakarta estimated that the ship will arrive in Darwin next week before it continues its voyage and enters Indonesian waters.

Speaking to reporters in Paris after he met his French counterpart Roland Dumas to brief him on the Dili incident, Foreign Minister Ali Alatas said Indonesia will not issue a permit to the ship and its Portuguese passengers. Alatas also accused Portugal of deliberately trying to perpetuate tension in East Timor. Meanwhile, the foreign minister's detailed briefings on the Dili incident to the leaders of countries he has visited since early February have produced understanding and support for the Indonesian Government's policy on handling the Dili incident. In other words, Portugal must now be waging diplomatic moves aimed at undermining the reputation of Indonesia, which will host the Nonaligned Movement summit this year.

Therefore, in countering Portugal's hypocritical political moves aimed at preserving its influence on its former colonies, we have no choice but adopt a firm and vigilant stand as shown by regional government officials, regional legislative assemblymen, as well as the East Timorese people themselves, who want to safeguard their decision to integrate into Indonesia. Such a resolute stand should receive greater support. We hope the international community will understand the Indonesian people's spirit and aspiration for peace and respect our valid rights and sovereignty.

Information Cooperation With PRC Hailed

BK2802093792 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 27 Feb 92

[Station commentary]

[Text] During his current trip to Indonesia, PRC Minister for Radio, Television, and Film Ai Zhisheng and Information Minister Harmoko signed a memorandum of understanding on cooperation in radio, film, and television in Jakarta last Monday.

The main provisions of the agreement had actually been reached when Harmoko visited Beijing last year. Both sides have agreed that cooperation is important in this era of global information systems, especially in view that they are both developing countries with a large territory and population. The dissemination of fast, and accurate information will help ease the problems of public welfare developments projects in their countries and other developing nations.

The interests of both countries were discussed when Ai Zhisheng made a courtesy call on President Suharto at Jakarta's Merdeka Palace yesterday. Closer cooperation among developing countries is required in the era of post East-West tension. The interests of industrialized countries in developing nations in Asia, Africa, and Latin America will decrease by 2000, and high priority will be given to Europe, including the Commonwealth of Independent States, which will absorb huge amounts of funds.

Information dissemination cooperation will lead to larger and mutually beneficial cooperation, but it must be based on the principles used during their normalization of diplomatic ties on 8 August 1990 in Jakarta. Both nations also share long historical links and we hope a new spirit with wider and more realistic horizons will emerge.

Through more open information exchange and media coverage, both countries will be able to see, study, and take advantage of existing natural resources, technological knowhow, and their long experience in developing their countries.

Cooperation in the radio, television, and film will also strengthen their existing friendship.

Envoy Donates $15,000 to Afghan Refugees

BK2702121392 Jakarta ANTARA in English 1016 GMT 27 Feb 92

[Text] Jakarta, Feb. 27 (OANA-ANTARA)—Indonesian Ambassador to Pakistan Karyadi Sidunegoro on behalf of the Indonesian Government recently presented 15,000 U.S. dollars to Afghan refugees through the Operation Salam.

The donation was handed over to an envoy of the UN secretary general to Afghanistan and Pakistan, Benon Sevan, in Islamabad, Pakistan, February 3, a statement from the foreign ministry said here Thursday.

Benon Sevan had earlier called on the Indonesian Government to give contribution for the implementation of the Operation Salam conducted by the United Nations for the period 1992 aimed at helping the Afghan refugees.

When receiving the donation, the UN representative expressed his appreciation and gratitude to the government and people of Indonesia for the assistance.

Sevan hoped that Indonesia's step could be followed soon by other countries.

Indonesia provided assistance for the Operation Salam in 1989 and 1990 respectively amounting 10,000 U.S. dollars.

Provisions of New Banking Law Discussed

BK2602093192 Jakarta THE JAKARTA POST in English 18 Feb 92 p 1

[Text] Jakarta (JP)—The DPR (House of Representatives) yesterday passed a new banking law which allows foreigners for the first time to own shares in state and privately owned local banks.

The Bank Law 1992 also recognizes government-owned banks as fully-incorporated companies, rather than government agencies, a move that will give them more leeway in competing with private banks.

The Banking Law is designed to strengthen the role of the banking industry, especially in mobilizing funds towards the country's effects at economic development.

All four factions in the DPR endorsed the government-sponsored bill at a plenary session chaired by deputy speaker Saiful Sulun, Minister of Finance J.B. Sumarlin and Bank Indonesia Governor Adrianus Mooy representing the government.

The law, which supersedes the 1967 banking act, allows foreigners to buy shares of local banks listed in local stock exchanges but bars them from gaining a controlling majority.

The rulings would provide a relief for many Indonesian banks, including the giant government-owned ones, who have been under strong pressure to raise funds in order to strengthen their capital to comply with the government's capital adequacy ratio (CAR) requirement of eight percent of assets.

Some 11 banks listed in the Jakarta Stock Exchange have seen their shares stumbling faster than others in the absence of support from foreign investors.

With the new law, the status of government-owned banks—BNI 1946, Bank Bumi Daya, Bank Rakyat Indonesia, Bank Dagang Negara, Bank Pembangunan Indonesia, Bank Ekspor-Import Indonesia and Bank Tabungan Negara—will have to be changed within a year as they were incorporated under separate laws.

The new law also streamlines banks into two categories, either primary or secondary, simplifies the requirements to set up new banks and provides greater protections to depositors.

The law says that anyone who collects funds from the public through deposit schemes or other financial instruments without the government's permit will be liable to a maximum 15-year jail penalty and up to Rp 10 billion fine.

The government has said that the rapid development in the banking industry necessitated new and stronger legislation to enable it to meet the challenges of the present and future.

"Through the new legislation, the progress that has been made in the banking sector all this time is expected to be enhanced," Sumarlin said in his remarks after the bill was passed.

The new law requires foreign joint venture banks to gradually hand over the managerial posts to local executives.

It stipulates that any merger, consolidation and acquisition of banks must not hurt customers and lead to monopoly practices. It also waives the need for borrowers to provide collateral when applying for bank loans.

Many powers previously in the hands of the finance minister, including the supervision of banks, would be transferred to the governor of Bank Indonesia, the central bank.

Philippines

Aquino Letter to Bush on Subic Discussed

HK2802085592 Manila THE CHRONICLE in English 28 Feb 92 pp 1, 9

[By Ramon Isberto]

[Text] Despite a Senate vote last September to end the stay of U.S. bases in the country, President Aquino has proposed to U.S. President George Bush a plan that would allow American military forces continued access to the Subic Bay Naval Base.

The proposed access arrangement, contained in a letter from Mrs. Aquino to Bush dated Feb. 3, involves putting management of Subic's ship-repair facilities in the hands of a private company.

This setup would thus allow the two governments to avoid the "contentious issue of sovereignty" that scuttled their past efforts to arrive at a new bases agreement.

The letter was leaked to media yesterday by anti-bases groups which say that Washington's initial withdrawal of the floating drydocks in Subic last week was a "mere show" and that the Philippine government has taken steps to deepen military ties between the two countries.

U.S. officials announced in December that they would start the pullout from Subic next week and that a total withdrawal would be accomplished by the end of 1992.

In her letter, Mrs. Aquino noted that "as you (Bush) had suggested, my government has issued a unilateral notice terminating the military bases agreement..."

This action was followed by a U.S. decision to withdraw from Subic and to take "all removable items"—including the floating drydocks—as U.S. forces pull out of Subic.

Mrs. Aquino's executive secretary, Franklin Drilon, has blamed anti-bases senators, who blocked the ratification of a new bases treaty last September, for the U.S. rejection of Manila's requests that one or two of the drydocks be left behind for Philippine use.

"...Within the framework of the Mutual Defense Treaty, a minimum of these repair facilities would need to remain in place if the U.S. Seventh Fleet is to have access to the facilities, even as we propose to convert the Subic Naval Base into a maritime-industrial complex with preference to be given to the U.S. Navy for the use of the facilities," Mrs. Aquino said in her letter.

Despite the U.S. actions, the Philippines seems intent on pursuing possible access arrangements.

Mrs. Aquino has appointed Alejandro Melchor, a former executive secretary of the late President Marcos and a graduate of the U.S. Naval Academy, as presidential adviser on the bases conversion, with Cabinet rank.

Melchor's task, Mrs. Aquino said, would be "to demonstrate how the privatization of the Subic Naval Base can meet the mutual concerns" of the two countries.

To make Subic more attractive, Mrs. Aquino said Manila would ask Tokyo to allow the repair of military vessels in a large government-owned ship-repair facility built with Japanese aid funds. Under the terms of the Japanese loan, the shipyard cannot be used to service U.S. warships.

Mrs. Aquino added she was pressing for a new law to create a corporation to administer "the privatized basing facilities" at Subic and, "by so doing, remove once and for all the contentious issues of soverengity, in your future use of the remaining facilities through access arrangements."

The access arrangement proposed in Mrs. Aquino's letter is similar to the "commercial access plan" aired last year by Rep. Jose de Venecia. Under that scheme, Subic would be open to ships of all nations, but the main client will still be the U.S. Navy.

Press reports indicate that Melchor has made no headway in his efforts to win U.S. support for Manila's plans. U.S. officials have said a withdrawal would be irrevocable. Last week, the first of three U.S. drydocks was pulled out of Subic on its way to Guam. Anti-bases groups say, however, that the situation may still be reversed and an access deal reached between the two governments.

Ma. Serena Diokno, who heads the anti-bases coalition, argues that the failure of Congress to pass a bases conversion law may lay the ground for the return of U.S. military forces.

"As a result, no agency has been tasked with implementing conversion. No funds were authorized disbursed from the country's coffers," she said.

She warned this vacuum would allow pro-bases advocates to claim that conversion was a failure and to call for a return of the bases.

"In fact, a presidential candidate has already called for the return of the bases," Diokno said, referring to statements by former Defense Secretary Fidel Ramos that he was open to new bases talks.

Navy Prepares Security Force

HK2802064892 Manila BUSINESS WORLD in English 28 Feb 92 p 12

[Text] The Philippine Navy will be ready to phase in a marine battalion as early as May in preparation for the eventual take over of the security mission for the Subic Naval Base.

In an interview, Flag-Officer-In-Command Mariano Dumancas Jr. told BUSINESS WORLD he had recommended to the top Armed Forces of the Philippines command that "before May, our battalion should be ready to move into Subic on signal."

At present, there are a total of 10 Marine battalions detailed in different parts of the country as part of the Government's Lambat-Bitag [net trap] II campaign against the communist insurgents.

Mr. Dumancas however, disclosed the navy has yet to receive a comprehensive withdrawal plan for the U.S. Seventh Fleet.

"If ever the withdrawal will come before May, our more than 800 officers and men of the Subic Base Command, under deputy base commander Admiral Artemio Tadiar, will be able to temporarily provide the security in the complex," he added.

He also expressed confidence that the looting which occurred inside the abandoned Clark Air Base will not be duplicated in Subic "as long as the Americans tell us what are the facilities they will leave behind, so that we can secure them," adding that "I'm sure we can control the situation there."

Aside from the marine battalion the Philippine Navy will also be fielding elements of the Naval Construction Brigade or Seabees to operate the different facilities inside the base.

As a preparatory stage, a month long on-the-job training program for the local Seabees will commence next week.

U.S. officials will train some 10 Seabees to familiarize themselves with the fixed equipment and installations that will be left behind.

Paper Views U.S. Pullout Process

HK2802055892 Manila BUSINESS WORLD in English 28 Feb 92 p 12

[Text] The U.S. pullout from Subic has already begun but the withdrawal committee tasked to oversee that process is still to be convened.

That could occur next week, withdrawal committee chairman Alejandro Melchor told BUSINESS WORLD recently. He said he is still "awaiting word from (envoy to Washington) Emmanuel Pelaez."

Diplomatic sources revealed that the Philippines had recently delivered a diplomatic note requesting the U.S. to submit an itemized list of "movable" equipment. "We have officialy indicated our interest in the 'removables' and wish to be given an opportunity to acquire some of these in line with our conversion plans," a senior foreign affairs source admitted.

Under the '88 Manglapus-Shultz Amendment to the '47 Military Bases Agreement, all permanent structures at the U.S. military facilities will revert to the Philippines. All equipment considered movable can be dismantled and withdrawn by the U.S. However, the Philippines is to be given first crack at availing of these items should they be declared as excess by the Pentagon.

"It's a long bureaucratic procedure," a U.S. military source said. "All that stuff will have to be offered to all the other commands in the U.S. military. If none of them want it, then it will be declared excess."

That procedure could take a minimum of eighteen months, by which time the equipment could "have been dumped in a desert somewhere," an American official remarked.

A source close to Mr. Melchor indicated that he has asked Mr. Pelaez to explore ways to short cut the procedure so that the Philippines could keep as much of the equipment in place for the conversion of Subic to a free-port area. "We asked Pelaez to go straight to the Pentagon," he said.

"The thinking is that we can consolidate ship-repair and ship-building functions at Philseco [expansion unknown] but that doesn't mean we can't use an extra drydock or two," a ranking government official said. "Also, since we're thinking of commercial port operations, we'll be needing equipment such as cranes, loading equipment, barges, pallet trucks, forklifts and the like," he pointed out.

Article VII of the Manglapus-Shultz Amendment provides that, in the event of a withdrawal, both sides undertake joint measures to ensure a smooth and orderly process and to minimize the disruptive effects of a pullout.

"That's already taking place in a military-to-military level in the Mutual Defense Board," an American diplomat maintained. Apparently, the U.S. is anxious to avoid the potential political heat which haggling over the movables would entail.

Mr. Melchor and trade and industry officials conducted an inspection of Clark Air Base yesterday as part of plans to convert that facility into an industrial estate and civil aviation complex.

Drilon Assailed on Dry Dock Issue

HK2702075892 Manila PHILIPPINE DAILY INQUIRER in English 27 Feb 92 p 2

[Editorial: "Colored Beads"]

[Text] We don't know what it is in the office of the Executive Secretary that induces faulty vision, but whatever it is, Franklin Drilon's got it. Well, maybe it's not the office. Maybe it's the diet.

But this is how Drilon sees things: The Americans are towing the dry docks out of Subic. Who's to blame for this? Not the Americans.

Now for nearly half a century, the Americans have squatted on Philippine land in return for which they have given the Filipinos, one, loose change which the Filipinos can not use anyway without their express permission (that's what the ESF [Economic Support Fund] is), two, death traps (that's what the unexploded ordnances and toxic wastes are), and, three, disease (that's what AIDS is). In the other Pacific islands, the islanders got back at their tormentors by giving them syphilis. In the Philippines, the natives themselves got the AIDS. So finally, the Filipinos, realizing that their health and wealth are worth more than colored beads, have sent the American servicemen packing. And, being balasubas [swindlers], the Americans have gone away grumbling, taking with them everything they can lay their hands on.

But no, says Drilon, the Americans are not to blame for this pass. The whore was wrong to kick the lout where it hurts even if he was beating her black and blue. She should have been nicer. Then she might have gotten a tip.

The Americans are taking the dry docks from Subic. Who's to blame for this?

Not the government, says Drilon.

Now the Cory government knew the U.S. bases were set to go. The Constitution said so—the same Constitution the Aquino government did its best to get ratified. That Constitution says the bases treaty would end by September 1991 unless a new pact was signed. But no, the Cory government said the bases would stay unless an alternative to them were found. And so the Aquino government did not prepare for their going, thinking the burden of proof to lie with those who wanted to follow the Constitution and not those who wanted to flout it. It not only did not prepare for it, it blocked the efforts by others to do so—even scorning its own conversion plans. Government betrayed the Constitution, abandoned its duty, and prevented others from doing theirs.

But no, says Drilon, the Cory government is not to blame for this pass. If the whore had done as her pimp bid, which was to enjoy sado-masochism, she might have gotten a tip.

The Americans are taking the dry docks away from Subic. Who's to blame for this?

Not Franklin Drilon, says Drilon.

As chief negotiator for the withdrawal phase, Drilon had several good options. One of them was to buy the dry docks with the unpaid amounts from the base payments, as Sen. Wigberto Tanada had suggested. Instead, he spent his time whining about the harm the anti-treaty groups had done and the heroic effort he was taking to undo it. Presumably, one of the ways of undoing it was getting the bases to stay under a new government. Beggars will be treated like beggars, and fools like fools. Naturally, the Americans laughed and told him what he could do with himself.

But no, says Drilon, he is not to blame for this pass. If the whore had apologized and promised to give the lout another tumble in the hay, she might have gotten a tip.

So who's to blame for the mess?

Why the Magnificent 12 of course, says Drilon!

One is tempted to wonder how an Executive Secretary could show so much ignorance about a case so well debated. But then one realizes we have a President, too.

Navy To Conduct 'Combat Exercise'

HK2602084892 Manila THE CHRONICLE in English 26 Feb 92 p 3

[Text] Naval authorities scheduled a six-day naval combat exercise next week to test the operational capabilities and readiness of their forces in a simulated combat situation.

Philippine Navy Chief Rear Admiral Mariano Dumancas said this was the first time the Navy would conduct multi-faceted naval operations without assistance from United States forces.

"We will find out how responsive our naval forces are in conducting coordinated and integrated naval operations in a war scenario," he said, adding that the navy had already started preparing for the defense of the Philippines without support from allied countries.

For decades, the country's military forces lived under the shadow of a huge and formidable American security umbrella in the Asia-Pacific region.

The U.S. withdrawal from both Subic Naval Base and Clark Air Base and their diminishing presence in the region forced local defense and military leaders to prepare the country's external defense plan.

Dumancas said naval exercises would be conducted by warships assigned with the Philippine fleet under Commodore Dario Fajardo and other combat units, like the naval air group, the special warfare group, the navy's elite teams, and other support units.

The battle group will leave Manila on March 2 for a border patrol and simultated combat exercise toward Cebu City, passing through such major and strategic checkpoints in the country as the Southern Negros and Bohol straits and the Southern Panay and Eastern Mindoro coastline.

Meanwhile, Dumancas said additional marine troops would be deployed in Subic to beef up security around the facility.

The security deployment was made to protect the area from looters once the Americans complete their withdrawal by year-end.

Dumancas also said the Americans would be able to remove their two remaining drydocks before June or at the onset of the rainy season.

"It would be difficult for them to tow those drydocks after June because of the weather conditions," he told the Chronicle.

He added that the military had already asked American authorities to make available for their use some ship repair and port handling facilities like machine shops and power generators to sustain naval operations.

He said there were also requests for the Americans to leave behind the air control facilities at Cubi Point and other vital military facilities which would be valuable for the local naval forces.

Dumancas said naval engineering personnel had already started hands-on training inside the naval base to familiarize themselves with its sophisticated ship repair and port handling facilities.

Contamination Allegation Rejected

HK2702123092 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 27 Feb 92

[Text] There is no evidence that Subic Naval Base and its surroundings are contaminated by toxic waste. Press Secretary Horacio Paredes stated this in an interview with a DZMM radio patrol. He said that should there be any truth in this at all, he believes it is not as bad as the contamination or polution in the River Pasig. He said this will not affect the health of the people there, adding that the government cannot tell the United States to clean up Subic until the Department of Environment and Natural Resources has sufficient documentation on the matter.

Senator Calls for U.S. Cleanup

HK2802054992 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 27 Feb 92

[Text] It is the obligation and responsibility of the United States Government to clean up pollution resulting from toxic waste at Clark Air Base and Subic Naval Base. This was emphasized by Senator Wigberto Tanada while saying that the United States should clean up both bases even though this is not specified in the Republic of the Philippines-U.S. Military Bases Agreement. He said that if this is not done, the U.S. should pay for damage resulting from toxic waste. He recommended to Ambassador Alejandro Melchor, presidential adviser on the bases conversion, to include the issue of cleaning up pollution as part of the bases withdrawal program.

SRV Minister on U.S. Trade Embargo, Spratlys

HK2802044892 Hong Kong AFP in English 0411 GMT 28 Feb 92

[Text] Manila, Feb 28 (AFP)—Vietnamese Foreign Minister Nguyen Manh Cam, invoking a new era of peace in Southeast Asia, called here Friday for an end to the U.S. trade embargo on his country and urged restraint in the Spratlys dispute.

Cam also reiterated at the end of a three-day visit to Manila by Prime Minister Vo Van Kiet that the forces of the former Soviet Union would be phased out of Cam Ranh Bay, with American troops already leaving the Philippines.

Kiet and President Corazon Aquino agreed in talks on Thursday to expand economic cooperation. The two governments signed pacts forming joint commissions on trade and investments and establishing direct shipping links.

Manila was the fifth stop in Kiet's tour of the six-member Association of Southeast Asian Nations (ASEAN), which Vietnam has asked to join.

"The highlight of our trip to the ASEAN countries is the spirit of cooperation for development," Cam told a news conference. "We have agreed with all the host countries that we should let bygones be bygones."

Kiet was scheduled to leave for Brunei on Friday to complete an ASEAN tour after earlier visiting Indonesia, Thailand, Singapore and Malaysia.

Vietnam is expected to sign the ASEAN's 1976 Bali treaty of amity and cooperation, a requirement for anyone seeking membership in the group, during its foreign ministers' meeting here in July.

Vietnam's relations with the ASEAN members had been strained since its 1979 invasion of Cambodia, easing only with the Cambodian peace settlement last year, but Washington has maintained a punitive trade embargo on Hanoi.

Cam said the lifting of the embargo was in his country's view the "greatest humanitarian issue" in efforts to normalize relations with the United States nearly two decades after the Vietnam War.

"After many years of war, the Vietnamese people have fallen victim to the wreckage of war, and they continue to suffer from the embargo," he said.

Cam said he had a brief discussion with his Filipino counterpart Raul Manglapus on the Spratlys, a South China Sea archipelago claimed in whole or in part by China, Vietnam, the Philippines, Malaysia, Brunei and Taiwan.

Kiet and Aquino had skipped the issue during their talks.

Cam said he and Manglapus agreed that the dispute "should be solved by peaceful means, and pending such negotiations, all the parties should refrain from any acts that may exacerbate the situation."

China and Vietnam fought a brief but bloody naval battle in the Spratlys in 1988, and there have been reports that several claimants were lately strengthening their military contingents in the area.

Neutral Indonesia has hosted two informal conferences involving all the claimaints since 1990, but no agreements have emerged except a common pledge to avoid triggering a new war in Southeast Asia over the islands.

Cam said Vietnam will welcome any proposals to establish a framework or mechanism for guaranteeing peace in Southeast Asia, provided it will be acceptable to, and initiated by, countries in the region.

Reiterating Vietnam's pledge to end access by warships of the former Soviet Union to Cam Ranh Bay, he said the presence of foreign troops worked against the interests of the region.

U.S. troops are set to vacate Subic Naval Base in the Philippines within the year after Manila and Washington failed to agree on a new lease for the facility, located across the South China Sea from Cam Ranh.

In a courtesy call on leaders of the Philippine Congress, Kiet lauded Filipino senators for rejecting last September a new 10-year military base treaty with the United States, which led to the ongoing American pullout.

"We highly appreciate the decision by the senate, and this indicates the goodwill and the desire of the Filipino people, and this is also the desire of the people in our region," he said.

Stressing that "there will be no foreign bases in our region," Kiet said "I think this is the trend of the world and the common aspiration of the people."

Kiet said that "the Cambodian problem has been solved," and the regional situation is now "much better."

Premier Returns To Vietnam

HK2802104492 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 28 Feb 92

[Text] Premier Vo Van Kiet left the country for Vietnam at 1300 today. The premier was brought to Ninoy Aquino International Airport by Foreign Affairs Secretary Raul Manglapus and other government officials.

Before he returned to Vietnam, Premier Vo Van Kiet and President Corazon Aquino signed three agreements on trade, economic cooperation, and merchant shipping yesterday.

Meanwhile, Vietnamese Foreign Minister Nguyen Manh Cam said that Vietnam would abide by the Treaty of Amity and Cooperation which was conceived and ratified by members of ASEAN. According to Cam, Vietnam's decision to abide by the Treaty of Amity and Cooperation would pave the way to its eventual membership of the association.

Australia Building Coast Guard Rescue Vessels

HK2702091792 Manila PHILIPPINE DAILY INQUIRER in English 27 Feb 92 p B-7

[By Hector M. Saquin]

[Text] Australia is currently constructing two modern Osprey Class search and rescue (SAR) vessels for the Philippine Coast Guard (PCG).

The memorandum of understanding on the construction of the SAR vessels was signed over the weekend by Transportation and Communications Secretary Pete Nicomedes Prado and John David Hall, marketing manager of the Australian Shipbuilding Industries (WA) Pty., Ltd. in ceremonies held at the Australian Embassy in Makati.

The signing of the agreement was witnessed by Commodore Carlos L. Agustin, PCG commandant; Ron Jackson, Australian trade commissioner; and Capt. Johnny A. de Leon, PCG chief of staff.

The agreement provides that the two ships will be made of steel and marine grade aluminum to increase their mobility to rush to the scenes of sea disasters to save lives of vessels' passengers and crew.

The sophisticated equipment of the SAR vessels includes two navigational radars, one global positioning system (GPS), a satellite navigator, electronic gadgets and a helipad which increases the visual range of the vessels in their search and rescue operations to save lives of people during maritime accidents or spotting derelicts at sea. Each of the vessels has two 12.7mm rapid-fire guns aimed at boosting the Coast Guard's campaign against piracy, smugglers and other criminal elements on the high seas.

Each of the vessels has a length overall of 54.75 meters and a moulded beam of 10.5 meters. To sustain long operations at sea, the SAR vessels are also provided with tanks containing some 88,000 liters of diesel fuel and 3,000 liters of fuel for the helicopters.

Each vessel has a complement crew of 30, including the hospital corpsmen, shipboard firefighters and salvage pumpmen. Each ship carries life saving equipment for 300 rescued passengers.

Secretary Prado said that the Presidential Task Force on Interisland Shipping Industry had recommended some time ago the acquisition of "modern, efficient and reliable SAR vessels" but that the Cabinet only approved the recommendation of the task force on April 19, 1989, and the National Economic and Development Authority (NEDA) on May 15, 1991.

Commodore Agustin said that once the construction of the SAR vessels is completed, provisions will be made for the transfer of technology to enable local shipbuilders to build the Osprey Class vessels.

Australian Oil Exploration Project Set

HK2802092092 Manila PHILIPPINE DAILY INQUIRER in English 28 Feb 92 p 17

[By Gerry Lirio]

[Text] The Philippine and Australian governments will finalize next week a $2.25 million joint venture allowing Australian oil experts to conduct exploration on the Cuyo platform, the Bondoc shelf, and other possible oil-rich areas in the country for the next two years beginning this summer.

Presidential Adviser on Energy Wenceslao de la Paz will fly to Australia tomorrow to finalize the deal and arrange the entry of drilling equipment from Australia.

Based on a study by the Office of Energy Affairs, the country hosts 13 major tertiary sedimentary oil basins with varying oil and gas potentials.

Located between Mindoro and Palawan islands, the Cuyo platform has been classified as having "good to very good potentials" for oil and gas. The Bondoc shelf, on the other hand, is regarded as having "poor potential gas play."

Based on preliminary agreements, the Australian government will spend at least $1.5 million while the Philippine government will raise the peso equivalent of $75,000, mostly to cover manpower expenses.

Canberra will provide experts using their own seismic vessel.

Offshore exploration costs $1,000 for every line kilometer, but onshore exploration costs 10 times as much.

There are at present 12 oil companies which await the Cuyo and Bondoc studies. These include Alcorn Philippines, the operator of the consortium drilling in West Linapacan, Basic Petroleum, Philodrill Corp., Oriental Petroleum and Minerals Corp.

In addition to Bondoc, Cuyo and Linapacan, other areas suspected of containing oil deposits are the Southeast Luzon basin, Agusan- Davao-Cotabato basin, Balabac sub-basin, Cagayan de Oro basin, Central Luzon basin, West Luzon platform, Iloilo basin, West Masbate shelf, Bicol shelf, Lamon Bay, and Bancauan sub-basin.

The northwest Palawan shelf is regarded as "marginally explored basin which offers very good possibilities for future hydrocarbon finds", while the southeast Luzon and Visayas basins have "high potential" of gas accumulations. The rest of the basins are said to contain poor to minor oil and gas contents.

BOI Expects Growth in Taiwan Investment

HK2802080892 Manila PHILIPPINES NEWSDAY in English 28 Feb 92 p 8

[By Bienvenido M. Perez]

[Text] As a private sector-led investment guaranty pact is forged between Taipei and Manila, the Board of Investments [BOI] said this development may shortly ignite a burst of new Taiwanese venture capital to the country.

But industry sources said this may also cloud relations between the Philippines and the People's Republic of China [PROC] principally because both countries will now openly compete for key investments from cash-rich Taiwan.

BOI Governor Thomas G. Aquino yesterday said this landmark investment guaranty agreement between the Manila Economic and Cultural Office [MECO] and the Taipei-based Pacific Economic and Cultural Center [PECC] could jumpstart increased investments from Taiwan and make it the Philippines' biggest investor once more.

Initial reports said this accord was signed yesterday in Taipei although Aquino noted that certain contract terms were still being finalized between representatives of the MECO and the PECC.

A strategic feature of this pact, according to sources, is a provision that guarantees the protection of all Taiwanese investments in the country, for a certain period of time, from expropriation or nationalization on account of war, revolution or any other disruption of the government status quo. Since obtaining similar investment guaranty covenants from other Southeast Asian countries, Taiwan has also offered such a guaranty (for about a 20-year period) to investments on its Hsinchu Science Park.

Philip C. Chien, chairman of the board of the Taiwan Chamber of Commerce and Industry in the Philippines Inc., told NEWSDAY that getting the government to guarantee this sort of protection for Taiwanese investments has long been one of the main obstacles to an early forging of this bilateral agreement.

Arguments against this guaranty, Chien noted, claim that it would break the Philippine government's existing one-China policy, but in reality, he stressed, "this (arrangement) is a practical way of assuring the safety of foreign investments in the country."

Industry sources, however, said the PROC may protest this private sector-led agreement on account of national interest and the existing bilateral covenants between the Philippines and the Beijing government. The sources added that this move could also be chiefly prompted by the Asian giant's own economic agenda considering that Taiwan is a major investor and Taiwanese-run companies are top employers of the PROC's massive labor force.

For the Philippines, Chien said the investment guaranty agreement is a crucial step toward clearing up Taiwanese investors' uncertainties about doing business in the country. Taiwanese investments to the Philippines took a sharp plunge the past year largely because of a Supreme Court decision which thwarted the establishment by a Taiwan company of a $370-million petrochemical complex in Batangas.

To help attract these investors again, the government last year launched a number of heavy promotion campaigns in Taipei. During a visit in August last year to Taipei, then Trade and Industry Undersectary Lilia R. Bautista said the government tried to direct interest of prospective Taiwanese investors to the development of 50 to 100 downstream industries for the country's petrochemical industry, if their reluctance to engage in another domestic petrochemical project persisted.

Aquino emphasized that Taiwan could even crowd out other Asian investors in the country like Japan and Hong Kong in the following months as that country's manufacturers expand operations to meet steadily growing demand worldwide.

From 1968 to 1990, BOI data showed that Taiwanese equity investments in the Philippines totaled P9.3 billion [Philippine pesos], fourth behind Hong Kong's P10 billion, the U.S.'s P14.9 billion and Japan's P17 billion. Investments from Taiwan peaked in 1987 and 1988 when they grew by 2,490 percent and 1,145 percent, respectively.

Aquino Seeks for Aung San Suu Kyi Family Visits

HK2702092892 Manila MANILA BULLETIN in English 27 Feb 92 p 8

[By Cynthia de Leon]

[Text] President Aquino has appealed to the Head of State of Myanmar (formerly Burma) to allow for "humanitarian reasons" the family of Madame Daw Aung San Suu Kyi to visit her in Yangon [Rangoon] where she is confined as a political detainee.

In a personal letter of appeal to Senior General Saw Maung, chairman of the State Law and Order Council of the Union of Myanmar, Mrs. Aquino expressed her deep concern for Suu Kyi as she recalled a similar experience when her late husband Ninoy Aquino was incarcerated by the Marcos martial-law regime.

The President said she was informed by Foreign Secretary Raul S. Manglapus following his official visit to Myanmar last December that Madam Suu Kyi "appears to be in good health and is provided basic amenities during her period of detention."

Mrs. Aquino noted, however, that "from (her) personal experience, (it) is particularly painful when a detainee is not afforded an opportunity of personally seeing and talking to the immediate members of her family."

Narrating that "my late husband was imprisoned in solitary confinement for more than seven years," Aquino said "those were extremely difficult and painful times for Ninoy and me and my children."

She said the suffering they felt would have been far greater if the martial law authorities had not permitted her regular visits to her husband.

The President told the Myanmar Head of State that the grant of such permission to Suu Kyi's husband and children "would be deeply appreciated by your friends in the Philippines who look forward to a return to political normalcy in Myanmar..."

Balance of Payments Registers Surplus

HK2602131592 Quezon City MALAYA in English 15 Feb 92 p B-1

[By Dinna M. Chan]

[Text] The country's external transactions from January to November last year registered a surplus of $1.063 billion, the Central Bank [CB] said yesterday.

Last year's external transactions was a mark turnaround from the $352 million deficit registered during the same period in 1990.

CB officials attributed the surplus to the rescheduling of foreign debt. Without debt rescheduling, the overall balance of payments would have registered a deficit of $305 million.

For the month of November alone, the country registered an overall balance of payments [BOP] surplus of $213 million, an improvement from the $69 million BOP shortfall in November 1990. Without rescheduling, however, the BOP surplus could have been reduced to $33 million.

CB said the current account deficit was reduced by 52.88 percent to $1.18 billion in November last year from $2.5 billion the same period in the previous year.

The BOP surplus was also attributed to the improvement of the country's trade performance.

The country's trade gap narrowed down to $3.08 billion in November last year from $3.72 billion in 1990.

The CB said the country's exports rose by 6.52 percent to $7.93 billion from $7.45 billion in 1990.

On the other hand, imports contracted by 1.32 percent to $11.02 billion from $11.17 billion the previous year.

CB officials explained the decline in imports to the 7.9 percent decline in the arrivals of capital goods, specially power-generating and land transport equipment.

Industry sources said the imposition of the controversial import levy which has been reduced from nine to five percent in August, deterred various firms from importing capital goods. Various expansion and rehabilitation plans were also stalled because the levy would raise the cost of projects.

The general economic slow-down caused by the Gulf War and various natural calamities also caused the decline in imports of capital goods, Trade sources said.

The CB report said non-merchandise surplus increased by 110.41 percent to $1.17 billion from $557 million in 1990 while net inward transfer also grew by 12.69 percent to $728 million from $646 million.

On the other hand, net inflows of non-monetary capital account grew by 43.87 percent to $1.7 billion from $1.19

billion the previous year because of stronger performance of the medium and long term loans, foreign investments and short-term capital accounts.

Medium and long term loans rose by 455.84 percent to $856 million from $154 million in 1990 since the minimal drop in loan inflows was cushioned by the substantial drop in loan repayments at 35.40 percent.

Foreign investments grew by 54.21 percent from $404 million to $623 million while the short-term capital account rose by 60.81 percent to $119 million from $74 million.

BALANCE OF PAYMENTS
January-November 1990 and 1991
In Million U.S. Dollars)

Item	1991 p/	1990	Percent Change
I. Current Transactions			
A. Merchandise Trade	-3086	-3720	-17.04
Exports	7938	7452	6.52
Imports	11024	11172	-1.32
B. Non-Merchandise Trade	1172	557	110.41
Receipts	5138	9900	15.55
Payments	3966	3898	1.74
C. Transfers	728	646	12.69
Receipts	729	648	12.50
Payments	1	2	50.00
Current Account, Total	-1186	-2517	-52.88
II. Non-Monetary Capital			
D. Long-Term Loans	856	154	455.84
Inflow	3159	3719	15.06
Outflow	2303	3565	-35.40
E. Foreign Investments	623	404	54.21
Inflow	750	627	19.62
Outflow	127	223	43.05
F. Short-Term Capital, (Net)	119	74	60.81
G. Errors & Omissions	105	560	-81.25
Non-Monetary Capital, Total	1703	1192	42.87
H. Monetization of Gold	222	204	8.82
I. Allocation of SDR [expansion unknown]	0	0	0
J. Revaluation Adjustments	324	760	-57.87
of which Debt Reduction	198	792	-75.00
III. Overall BOP Position	1063	-352	401.99

Drought Destroys 1.4 Billion Pesos Worth of Crops

HK2602094292 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 26 Feb 92

[By Rey Sibayan]

[Text] An estimated P1.4 billion [Philippine pesos] worth of crops have perished because of the drought. Based on the Department of Agriculture's [DOA] latest report, 142,379 hectares of provincial farm lands have been affected by the drought, which is expected to worsen in the coming months.

According to the DOA, the drought has affected 60,000 hectares of rice fields, more than 70 hectares of corn fields, more than 800 hectares of vegetable fields, and more than 1,000 hectares of fruit orchards.

The drought is affecting the provinces of Capiz, Iloilo, Negros Occidental, Zamboanga del Norte, Zamboanga City, Bukidnon, Misamis Oriental, Davao del Norte, Davao del Sur, Surigao del Sur, South Cotabato, Maguindanao, Sultan Kudarat, North Cotabato, Lanao del Sur, and Lanao del Norte.

The department also reported that the drought destroyed a large portion of Region 12's corn fields, with yields estimated at P2.5 million.

NDF Claims Responsibility for Surigao 'Massacre'

HK2802090392 Manila BUSINESS WORLD in English 28 Feb 92 p 12

[By Ramoncito dela Cruz]

[Text] The National Democratic Front (NDF) yesterday claimed full responsibility for the massacre of 48 government troopers in Surigao del Sur, even as it assured fair and humane treatment for six prisoners of war.

This developed as the Armed Forces of the Philippines (AFP) reported yesterday, in a belated communication, that 10 Department of Environment and Natural Resources (DENR) personnel were strafed by some 40 communist rebels last February 23.

In a faxed message to Camp Aguinaldo, Ka [Comrade] Migo, reportedly the nom de guerre of rebel priest Fr. Frank Navarro, explained that the February 15 ambush was in retaliation to a "total war campaign" initiated by government units against members of a native tribe in Upper Hubo, Barangay Dayatagon in Lianga, Surigao del Sur who were "bombed and shelled."

Fr. Frank Navarro was reported to be the leader of the "Kamandag" mobile units who perpetrated the morning ambush near Marihatag town, and the supposed atrocities, which include the beheading and gouging of eyes of wounded soildiers.

In the same statement, Ka Migo also extended his "deep sympathy to the families of the dead officers and men, even as we grieve for the death of six NPA [New People's Army] comrades."

However, according to a military intelligence report, at least 22 rebels, including four amazons, were killed during the encounter and some 48 others were wounded.

"We also assure the families of the six prisoners of war that they will be dealt with fairly and humanely," the message further indicated.

Based on military record, only four military troopers were considered as "missing in action." They are identified as Sgt. [Sergent] Florencio Patrocinio, Cpl.[Corporal] Celso Navares and PFCs [Private First Class] Malvin Gregorio and Luis Laswe.

At the same time, Ka Migo expressed regrets over the extent of the "social conflict," adding that "we express our full support to our NDF national leadership and to all peace-loving citizens in the effort to find a peaceful solution to the war."

(AFP chief of staff Lisandro Abadia, in an earlier interview, expressed support for the pursuit of local peace initiatives, despite the Surigao incident.)

"But if a peaceful settlement is not attainable in the very near future," he continued, "we wish to appeal to the officers and men of the AFP, PNP [Philippine National Police] and paramilitary units to strictly observe the protocol of war."

Ka Migo concluded his message by calling all sectors involved in the internal strife "to minimize the sufferings of the civilian population in the area by stopping indiscriminate bombing, artillery shelling, food blockade, forced evacuation and destruction of properties and other policies that shall resolve to social and economic dislocation of the people."

Strafing of Civilians

Meanwhile, the Philippine Army Southern Command, in a radio message to Gen. Abadia, reported that the strafing of civilians, which led to the death of 10 persons and wounding of four others, happened last February 23 morning at Bgy. [Barangay] Usong in Tapang, South Cotabato.

The military identified the fatalities as Wilson Doctolera, Emilia Villaruz, Nene Parcon, Rose Pama, Tamik Bularan, Danilo Dopronela, Maximo Cruz, Undo Galido, Exequil de Asis and a certain Morato. Wounded civilians were Willy Doctolera, Julie Haray, Teddy Palma and Severino Anglid.

As of yesterday, the wounded were being treated at Marvel Provincial Hospital.

The report said that the combined elements of the Tibuli PNP and the 10th Civilian Active Auxiliary company have been dispatched to conduct an investigation.

Thailand

National Legislative Assembly Passes Patent Bill

BK2702141392 Bangkok Radio Thailand Network in Thai 1200 GMT 27 Feb 92

[Excerpt] The National Legislative Assembly [NLA] approved the draft patent bill today. Both supporters and opponents of the bill have widely commented on the positive and negative effects it will have on Thailand's international trade. There have also been concerns over a possible increase in drug prices and the suitability of the the grace period in the promulgation of the bill. Some NLA members have asked that the period be extended from 180 days to five years. Phichai Watsanasong, chairman of the NLA Committee examining the Draft Patent Bill, said that his committee had made a thorough consideration of this matter and he affirmed that this grace period was necessary and appropriate. [passage omitted]

Commerce, Health Ministers on Bill

BK2802005992 Bangkok THE NATION in English 28 Feb 92 p A1, A2

[By Oranut Anusaksathian, Atchara Phongwutthitham]

[Text] The National Legislative Assembly yesterday overwhelmingly approved the final readings of a controversial patent law amendment which provides protection for pharmaceutical products in a bid to avert the United States' threat of trade sanctions.

With less than a month left before Washington determines whether to retaliate against Thailand for its failure to protect pharmaceutical patents, the appointed assembly endorsed the government-sponsored bill with only one objection despite fierce protests by various interest groups including the medical profession which claimed the law would sharply raise drug prices.

The bill will take effect within 180 days after announcement in the Royal Gazette, a much shorter period that the opposition had sought. The opposition's call for a five-year delay for the application of the law was dropped.

Admitting publicly for the first time that pressure from the U.S. and other trading partners was a decisive factor in amending the law, the committee scrutinizing the bill effectively defended the amendment on behalf of the government. The committee, however, made an observation that the government should promote research and development particularly in medicines.

Commerce Minister Amaret Sila-on, who attended the final readings yesterday morning, was apparently happy and relieved.

He later told reporters that the passage of the law would reduce the risk of trade threats from Washington. "Now that the bill is passed, the chance for Thailand to remain a PFC (priority foreign country) is 50:50. If we didn't, retaliatory action would definitely be forthcoming," the minister said.

Thailand, China and India were identified in April last year as priority countries for their failure to "adequately and effectively" protect American intellectual property rights. They run the risk of facing retaliation if no substantial improvements in this regard are made. The deadline for Thailand is March 15.

Deputy Public Health Minister Atthasit Wetchachiwa, who strongly opposed the bill, ws apparently upset and declined comments upon the passage of the bill.

The secretary-general of the Medical Council, representing doctors nationwide, was displeased with the outcome and said that his agency would have to find ways to counter price increases of foreign drugs.

During the dull 40-minute debate, only two assembly members, Wichai Thosuwanchinda and Dusit Siriwan, proposed changes to the bill, both of which were rejected after votes were called. The two legislators, however, were obviously in opposite camps.

Wichai strongly urged the legislators to delay the application of the law. He argued that the section on patent protection of the draft agreement negotiated under the General Agreement on Tariffs and Trade (GATT), a world trade watchdog, allowed developing countries like Thailand to delay amending their domestic laws for five years.

His argument was disputed by Phichai Watsanasong, chairman of the scrutinizing committee, and the committee's secretary, Prayun Thaloengsi, executive director of the Board of Trade.

Both Phichai and Prayun echoed the Commerce Ministry's stance that it would be worse-off for the country to delay the amendment of the law which will extend the protection to pharmaceuticals, their active chemicals, farm machinery, food, beverages and biotechnological inventions, all of which were not covered by the 1979 Patent Act.

They said while the GATT draft agreemnt did provide developing countries with an option to delay the amendment, the text did not allow any signatories to refuse patent protection to pharmaceuticals and farm chemical products when the draft agreement came into force.

The draft agreement could be adopted by the end of this year and be enforced on Jan 1, 1993 if over 100 member countries could compromise over other issues.

If delayed, Thailand might be forced to provide exclusive marketing rights to foreign drug companies who sell patented drugs which are available ovrseas for some time, they said, adding that this would amount to retroactive protection.

Another exhaustive debate developed when Dusit Siriwan, a former minister, who charged the Public Health Ministry of sponsoring the anti-patent-amendment campaign, suggested that a provision to set up a special patent commitee, chaired by permanent secretary of commerce, be dropped.

The committee would ensure that patented drugs are available at reasonable price and at adequate quantities in the local market and take action when they are not.

He argued that the Price-Fixing and Anti-Monopoly Act has accorded the power to the Commerce Ministry to take action against profiters and unscrupulous traders country-wide. Thus, the proposed committee would be redundant.

Phichai admitted that in legal sense, the committee was unnecessary, but politically, the initiative was crucial. He admitted that the controversy over the amendment of the patent law had forced the committee to keep this provision intact despite internal conflicts.

Economics Official Views Bill

BK2802010592 Bangkok THE NATION in English 28 Feb 92 p B1, B16

[By Oranut Anusaksathian, Atchara Phongwutthitham]

[Text] The passage of the controversial patent bill yesterday by the National Legislative Assembly might be inadequate to convince Washington to drop its threat of trade sanctions against Thailand under Section 301, said a senior trade official.

The official feared Washington might opt to maintain Thailand on the priority list of countries to be monitored closely for its policies and practices on pharmaceutical patents when the deadline arrives next month for the United States Trade Representative (USTR) to decide whether the Thai government's attempts to improve patent protection is sufficient and effective.

But Commerce Minister Amaret Sila-on declined to speculate on this sensitive question, "The United States has the right to initiate a case against countries it deems to have adopted unfair trade policies. We cannot do anything about that," Amaret said.

The minister added, however, that he personally welcomed the decision of the legislators because the revised law, which seeks to protect pharmaceuticals and their active ingredients, farm machinery, food and beverages, and biotechnological inventions, would strengthen the country's over all intellectual property rights protection.

Yangyong Phuang-Rat, deputy director-general of the Business Economics Department, was not very optimistic. He said the revised patent act, passed yesterday, does not comply with the U.S. demands on two counts.

As such, he felt, American industry lobbyists would be likely to continue to pressure President Bush not to dismiss Thailand from the priority list.

But he did not expect the USTR to initiate retaliatory measures against Thailand or emerge with a list of Thai products likely to face punitive tariffs when entering the American market. He expected the USTR might suggest extension of the negotiations.

President Bush himself would not like to be seen by his voters being too soft toward "unfair" trading partners like Thailand, against a fellow Republican candidate, Pat Buchanan, who is planking on a nationalist "America First" campaign, the official commented.

But Yanyong, who is the key drafter of the controversial legislation, maintained that it would not serve the national interest if the country agreed to yield to those demands.

Another high-ranking official said the U.S. government's international image would be hurt severely if it continued to take action against Thailand. "We have already agreed to amend the patent law in the essence that is to give protection to pharmaceutical patents. Shouldn't that be enough," he queried.

The United States wanted the Thai government to protect pharmaceuticals currently undergoing clinical tests in the United States but not yet available in the Thai market, a condition denied by the revised patent law.

Washington claimed that bilateral negotiations with Thailand lasted for years and, should Thailand agree to amend its law by that time, several new drugs now already introduced in the American market would have been protected here.

Therefore, if the law, which protects pharmaceuticals and their active chemical, is passed, the United States wanted Thailand to extend protection to the other products in the pipeline.

Washington recently succeeded in forcing China to amend its patent law and provide retroactive protection to drugs available since 1986.

Moreover, the United States was dissatisfied with Thailand's refusal to narrow the "compulsory licensing provision" which it viewed as "overly broad".

The Americans wanted the provision to be invoked in two cases only; in case of national emergency and in case of violation under the anti-monopoly and competitiveness act.

The revised law stipulates that the state retain its power to force patent holders to license the rights in several cases, including shortages and disasters.

Yanyong also agreed with some of the legislators debating the patent bill yesterday that the United States would come up with new issues to take action against Thailand—may they be human rights or environmental protection.

Minister Cites Pharmacist's Support

BK2702035592 Bangkok Radio Thailand Network in English 0000 GMT 27 Feb 92

[Text] The new patent bill now in the National Legislative Assembly will give better protection to new drug formulas without retroactive effects on existing drugs. Thus, medicine now on sale will not become more expensive.

At a recent symposium on the Patent Act and the Thai economy held by the Khon Kaen University's Faculty of Humanities and Social Science, Commerce Minister Amaret Sila-on cited the views of a well known Thai pharmacist, Professor Wanida Chitma, on the issue. He said Prof. Wanida dismissed as misleading the report alleging that medicine prices would go up by 50 to 100 percent. She pointed out the new patent bill will not affect existing patented products and that state mechanisms will be adequate in controlling the prices of medicine.

Ministry Spokesman Briefs on EC Assistance

BK2802081292 Bangkok Radio Thailand Network in Thai 0530 GMT 28 Feb 92

[Text] Foreign Ministry Spokesman Sakthip Krairoek disclosed that since 1975 Thailand has received from the European Community grant aid both in the form of regular assistance and under the framework of the so-called tapioca agreement.

In 1990, the EC revised its policy on providing assistance for various countries to correspond with the world situation. Being categorized as a progressive developing country, Thailand has therefore been given assistance at a certain limit.

However, the EC still places importance on economic cooperation which contributes to the expansion of trade and investment. The EC will continue to place greater significance on the Thai economy, especially on projects Thailand has proposed to the EC, including those promoting two-way business, environmental preservation, and energy and electricity. The EC has set aside budgets for these projects to be inaugurated within this year.

As for the anti-AIDS and anti-narcotics projects, the EC will also continue to regard them as important, concluded the ministry spokesman.

Foreign Policy of Political Parties Viewed

BK2802012592 Bangkok THE NATION in English 28 Feb 92 p A8

[Article by Kawi Chongkitthawon entitled: "Few Parties Have A Foreign Policy"]

[Text] Of all 15 political parties vying for power on March 22, only a few have coherent foreign policy platforms. The rest either have copied the previous declarations of other parties or ignored foreign affairs altogether.

Generally speaking, all parties have three things in common in their foreign policy pronouncements: first, they would pursue independent foreign policy and respect the UN charter and all relevant UN resolutions; second, maintain good relations with neighbouring countries; third, promote economic cooperation among ASEAN countries.

But beyond those basics, no party seems to offer any future vision or to care much about the building of a new regional order.

Apparently, the older the party, the better and clearer its foreign policy. The Democrat Party, the oldest, has outlined an almost comprehensive foreign policy while the Chat Thai, Prachakon Thai and Social Action (SAP) parties have included all the essencial elements for conducting an independent and responsive foreign policy.

By far, the Solidarity Party has the most colourful foreign policy. For one thing—shameful as it may seem—the party plagiarized the whole section on diplomacy from the SAP's 1988 platform.

The New Aspiration Party and Samakkhi Tham Party, both with strong military backgrounds and links, are the only new parties which give importance to diplomacy.

For major parties with long histories, certain issues emerge as priorities. For example, the Democrat Party picked the refugee problem as one of its main diplomatic pillars. The party pledges to settle the refugees and displaced persons who have been stranded in Thailand at various times. It says it would seek to negotiate with parties concerned to repatriate all the refugees to their homelands or third countries.

"We will never allow the refugees to use Thailand as bases to stage military or political actions or for trade smuggling centres, which can threaten the country's security," the party's document states.

Together with the Democrats, Samakkhi Tham supports the ASEAN idea of turning the region into a zone of peace, freedom and neutrality while all other parties agree that the promotion of economic cooperation among ASEAN countries is crucial.

New Aspiration and Samakkhi Tham would also pursue a foreign policy that is based on the five principles of peaceful coexistence.

None however seems to pay much attention to the concept of an ASEAN Free Trade Area or efforts to promote intra-ASEAN trade, which were extensively discussed at the Fourth ASEAN summit in Singapore.

In implementing and improving the foreign policy-making process, the Democrats suggested that there should be close coordination between the Foreign Ministry and the military.

To have effective international economic policy, Samakkhi Tham calls for the government and the private sector to work together in formulating the country's external trade and cultural policies.

In the past, SAP used to have the most exciting foreign policy, which was particularly notable in the 1970's. When former SAP leader M.R. Khurit Pramot headed the country's coalition government in 1975, he immediately pushed for the pullout of the American presence in Thailand and normalized Thai-Chinese relations.

Former Prime Minister Gen Chatchai Chunhawan, who was foreign minister under Khurit's administration, quickly adopted an outward looking diplomacy dealing with neighbouring countries in Indochina as never before when his party, Chat Thai, headed a newly formed government from August 1988. As prime minister until February 1991, Chatchai undertook an unconventional and active foreign policy approach, particularly on the Cambodian conflict.

In the field of foreign affairs, SAP is facing a worsening situation. With the departure of former Foreign Minister Sitthi Sawetsila as SAP leader in 1990 during an internal rift, the party lacks a charismatic leader.

Moreover, deputy Foreign Minister Praphat Limpaphan, another key SAP member who served as Sitthi's deputy for almost 10 years, decided not to participate in the upcoming election. Instead, he is eyeing a seat in the Senate. In the past year, Praphat served as a foreign policy adviser to the military junta which toppled the Chatchai government.

Now under the helm of Montri Phongphanit SAP has tried to keep the party together and become a coalition partner in the next government, abandoning the business of foreign affairs altogether.

That leaves only former foreign ministers Subin Pinkhayan and Athit Urairat, both under Sammakhi Tham who have some foreign policy experience. They served in the post for a few months each before the Feb 23 coup last year but did not have any real impact on the country's diplomacy.

In the introduction to its platform, the Solidarity Party candidly reviewed Thailand's past performance. It says it takes pride in Thai diplomatic history and past achievements because it helped Thailand escape Western colonization and enabled the country to survive until the end of the Cold War.

But the party, which combined a number of small opposition parties, says without reservation that it rejects the concept of neutrality in diplomacy because it cannot fulfill the country's national interest.

"Neutrality will always bring despair to a country's relationship with others and eventually it will fall under other's influence," asserts the party.

Solidarity says its foreign policy is aimed at finding good friends but not relying on any single country.

Of all the parties, New Aspiration and Samakki Tham borrowed a large chunk of their foreign policy from the Anan administration. For instance, the two parties pledge to propagate the country's reputation through public relations and cultural activities as well as respect for human rights and protection of the environment.

To be fair, New Aspiration does have it own ideas. The party wants to develop a good understanding with neighbouring countries at the "person-to-person" level. Another emphasis is on diplomacy that is in line with the global atmosphere.

While most of the parties support more economic cooperation with foreign countries, only one party—Phalang Tham Party, under the leadership of Major General Chamlong Simuang—advocates the country's economic independence.

"The party will adhere to economic self-reliance and welcome foreign assistance that comes without any strings attached," says the party's document.

Vietnam

Paper Says Bush's Credibility 'Racing Downhill'

BK2802094192 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 27 Feb 92

[From the press review]

[Text] In today's issue, NHAN DAN publishes in its "Current Affairs" section a story entitled: "Panic at the White House." The story is about U.S. President Bush and his race to stay in the White House. It reads in part as follows: During his three years in office, U.S. President Bush has set many records. He made a 563,150-kilometer-long trip to visit 36 countries. Yet, his outstanding records have not prevented his credibility from racing downhill due to the increasingly deteriorating U.S. socioeconomic situation.

The unemployment rate was 5.5 percent in 1990. It increased to nearly 7 percent in 1991 and is currently at 7.1 percent.

Spokesman Reaffirms Claim Over Spratly Islands

BK2802061492 Hong Kong AFP in English 0551 GMT 28 Feb 92

[Text] Hanoi, Feb 28 (AFP)—Vietnam reaffirmed its claim to the Paracel and Spratly islands Friday, implying that China had violated an agreement to leave the issue alone.

"The Paracel and Spratly archipelagos belong to the sovereignty of Vietnam," a Foreign Ministry spokesman said, when asked to comment on the Chinese parliament's passage of a law Tuesday designating the islands as Chinese territory.

"In view of the interests of the peace, stability, cooperation and development of the region, we favor the settlement of disputes through peaceful negotiations," the Vietnamese spokesman said.

"In the meantime, the parties should take no action to complicate the situation."

"This was agreed by Vietnam and China during the November 1991 Sino-Vietnamese summit and was reaffirmed during the recent visit to Vietnam of Chinese Foreign Minisiter Qian Qichen."

The incident represents the first visible hitch in the rapprochement process launched when Vietnamese Communist Party General Secretary Do Muoi traveled to Beijing in November to normalize relations.

Since then the two neighbors, which went to war in 1979 over Vietnam's invasion of Cambodia, have concentrated on building their economic ties while leaving sensitive issues such as territorial claims on the back burner.

Qian and Vietnamese Foreign Minister Nguyen Manh Cam said February 14 that they had agreed that experts from the two countries would meet sometime this year to discuss "historical disputes" such as the Spratlys and Paracels.

Chinese Prime Minister Li Peng would also visit Vietnam this year, Qian said.

China seized part of the Spratlys in 1988 during a brief naval clash with Vietnam, which also controlled the Paracels until China moved in in 1974.

The Spratlys, made up of 33 islands and 400 islets and atolls posted atop strategic shipping lanes and possible mineral wealth in the South China Sea, are also wholly or partly claimed by Malaysia, the Philippines, Taiwan, and Brunei.

Talks Held With Philippines Leaders

BK2702152392 Hanoi VNA in English 1414 GMT 27 Feb 92

[Text] Hanoi VNA Feb. 27—Talks were held at the Malacanang Palace in Manila this morning between Philippine President Corazon Aquino and visiting Vietnamese Premier Vo Van Kiet.

Attending the talks were, on the Vietnamese side, Foreign Minister Nguyen Manh Cam, Chairman of the State Committee for Cooperation and Investment Dau Ngoc Xuan, Deputy Minister of Agriculture and Food Industry Vu Tuyen Hoang, Deputy Foreign Minister Vu Khoan, Deputy Minister of Commerce and Tourism Leh Huu Duyen, Deputy Minister of Communication and Post Bui Van Suong, and Vietnamese Ambassador Hoang Manh Tu. On the Philippine side were Foreign Minister Manglapus, Minister of Agriculture Bacani, Cabinet Minister Attached to the Office of the Presidential Palace Sobropea, National Security Advisor Ileto, Acting Minister of Industry and Trade Bautista, Deputy Minister of Tourism Gabor, Deputy Minister of Communication and Transport Lichauco, Deputy General Director of the National Economic Development Agency Habito, Assistant to the Foreign Minister for Asia and the Pacific Rumualdo, and Philippine Ambassador to Vietnam Baocay.

The two sides exchanged views on measures to strengthen the relations beween the two countries as well as regional and international issues of common concern.

The Philippine side welcomed and fully supported Vietnam's intention to sign the 1976 Bali Treaty of Amity and Cooperation and Vietnam's participation in regional cooperation.

Chairman Vo Van Kiet and President Corazon Aquino held that the result of this visit will help strengthen relations of friendship and allround cooperation between Vietnam and the Philippines and contribute to peace, stability and cooperation in Southeast Asia.

The talks took place in an atmosphere of friendship, sincerity and mutual understanding.

Cooperation Agreements Signed

BK2702150392 Hanoi VNA in English 1337 GMT 27 Feb 92

[Text] Hanoi VNA Feb. 27—Vietnam and the Philippines signed three cooperation agreements on the occasion of Chairman of the Council of Ministers Vo Van Kiet's official visit to the Philippines.

Chairman Vo Van Kiet and President Aquino witnessed the signing which took place in a ceremony held in Manila this morning.

Foreign Minister Nguyen Manh Cam and Foreign Minister R. Manglapus signed and agreement to set up a joint committee for economic, scientific, technical and commercial cpoperation. Meanwhile, chairman of the Vietnam State Committee for Cooperation and Investment Dau Ngoc Xuan and Acting Minister of Industry and Trade R. Baulista signed an agreement on investment promotion and protection, and Vice Minister of Communication, Transport and Post Bui Van Xuong and his Philippines counterpart, T. Lichauco, signed an agreement on navigation.

Do Muoi Receives French Communist Party Group

BK2702150992 Hanoi VNA in English 1446 GMT 27 Feb 92

[Text] Hanoi VNA Feb. 27—Secretary General of the Central Committee of the Communist Party of Vietnam Do Muoi received here on Feb. 26 the visiting delegation of the French Communist Party [FCP] led by Gaston Plissonnier, FCP Central Committee member.

With the secretary general was Trinh Ngoc Thai, deputy head of the CPV Central Committee's External Relations Commission.

Do Muoi welcomed the visit of Mr. Gaston Plissonnier and his party who, he said, had brought to the Vietnamese people and communists the friendship and solidarity of the French people and communists. He recalled the close ties of long date between the two parties and affirmed the CPV's wish to constantly consolidate and develop those ties in the interests of the French and Vietnamese peoples, of international peace, friendship and cooperation. Do Muoi asked his guests to extend his best wishes to Secretary General Georges Marchais and other leaders of the FCP.

Mr. Gaston Plissonnier expressed his joy at revisiting Vietnam and wished the Vietnamese people under the leadership of the Vietnamese Communist Party new successes in the renovation process and the building of social [as received] in Vietnam.

During its stay here, the FCP delegation was received by Phan Van Khai, politburo member and vice chairman of the Council of Ministers, and held talks with a delegation of the CPV led by Hong Ha, secretary of the Central Committee and head of its External Relations Commission. It also had working sessions with some concerned Vietnamese offices.

Hanoi Sends Food Aid to Moscow

BK2702032692 Hanoi VNA in English 1303 GMT 26 Feb 92

["News in Brief"]

[Text] Hanoi VNA Feb 26—Hanoi gave VND [Vietnamese dong] 5 billion worth of goods to Moscow as humanitarian aid this week.

From Haiphong port, the goods would be sent direct to Moscow including 200 tonnes of rice, 100 tonnes of sugar, 40 tonnes of noodles, 40 tonnes of black tea, meat, canned fish, candies and children's clothing.

More Refugees Return Home From Hong Kong

BK2702064792 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 26 Feb 92

[Text] On 25 February, a group of 261 [figure as heard] Vietnamese left Hong Kong for Vietnam under the framework of the United Nations High Commission for Refugees-sponsored voluntary repatriation program. The group, which comprised 88 men, 57 women, 59 boys, and 47 girls, was the first batch of Vietnamese returning home under this program.

Since the beginning of this year, 1,985 Vietnamese have responded to the voluntary repatriation program and altogether, 15,944 Vietnamese have returned home since the start of the program in March 1989.

International Aid for Welfare Programs Received

BK2802071592 Hanoi VNA in English 0612 GMT 28 Feb 92

[Text] Hanoi VNA Feb. 28—In 1991, Hanoi received a total of 350,000 U.S. dollars from international organizations for 7 humanitarian projects and 2 humanitarian programs. These include a project for the construction and equipment of a center for disabled soldiers, 4 projects for orphans, disabled, and malnourished children, and 2 projects for drug addicts. The two programs are for the construction and running of an SOS [expansion unknown] village for orphans and the supply of clean water for the rural areas.

Company Chief Hopes to Export More to Singapore

BK2802050092 Singapore THE STRAITS TIMES in English 27 Feb 92 p 40

[By Bangkok correspondent Tan Lian Choo]

[Text] Bangkok—Vietnam hopes to export more crude oil to Singapore in exchange for imports of refined petroleum products from the Republic, the chairman of Vietnam's Oil and Gas Corporation, Mr Truong Thien, said here yesterday.

"We think we can achieve our target of five million tonnes of crude oil output this year and we have every intention of trying to export more to Singapore."

Vietnam also needs to diversify its sources of refined products which the country needs badly. The former Soviet Union was its main supplier until a year ago.

In an interview with THE STRAITS TIMES, Mr Truong Thien, who is here to attend an international oil conference, said he hoped Singapore refineries would take up the projected increase its crude oil output and re-export the estimated three million tonnes of refined oil it needs. [as published].

The country's crude oil exports last year amounted to 3.9 million tonnes, fetching US$582.4 million (S$949.3 million) on the world market.

Oil is Vietnam's main export earner. Since 1988, the country's economy has been boosted mildly by offshore oil and gas exploration. Petro-Vietnam, its oil and gas exploration company, has awarded exploration contracts for 26 blocks in offshore Vietnam.

US oil companies, currently prohibited from investing in Vietnam because of the US embargo, have nevertheless made private approaches to Vietnamese officials.

Mr Truong Thien said he had met several senior executives of US oil firms recently and that, as far as Vietnam was concerned, the companies were free to invest or submit tenders in Vietnam.

Views Given on Constitutional Draft Amendments

Bui Dinh Nguyen

BK2802070692 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 26 Feb 92

[From the press review]

[Text] NHAN DAN frontpages Bui Dinh Nguyen's views on the need for more amendments to the new Constitution, including the one on the Vietnam War Veterans Association's role as follows:

Regarding Article 9 of Chapter I, it is necessary to include the Vietnam War Veterans Association in the Vietnam Fatherland Front [VFF] membership, which will then consist of five mass organizations of equal sociopolitical importance, namely workers, peasants, revolutionary soldiers who have fulfilled military service, youth, and women. The exclusion of the Vietnam War Veterans Association from Article 9 would lower the association's role as an essential part of the revolutionary struggle for national defense and construction.

Pham Van Huan

BK2802070492 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 26 Feb 92

[From the press review]

[Text] QUAN DOI NHAN DAN frontpages Pham Van Huan's views stressing the need to clearly define the responsibilities of people who lodge complaints or denunciations. The author proposed that the sentence "must bear responsibility before the law for the contents of their complaints or denunciations" be added to Article 72 which says that citizens have the right to lodge complaints or denunciations with authorized state agencies concerning illegal deeds of state agencies; socioeconomic organizations; units of the people's armed forces; or any individual of those agencies, organzations, and units.

Nguyen Duc Binh at Conference on Culture, Sports

BK2802070192 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 26 Feb 92

[Text] Following the national conferences on culture and information in Ho Chi Minh City, the Ministry of Information, Culture, and Sports organized a conference from 24-25 February to assess the performance of cultural and sports activities in the southern provinces in 1991. Attending the conference were directors of cultural and information agencies from Quang Nam-Da Nang Province southward and many leading officials of the various departments, sections, and institutes under the management of the Ministry of Information, Culture, and Sports.

Also attending the conference were Comrade Nguyen Duc Binh, member of the Political Bureau in charge of the party's ideological work; Comrade Huu Tho, member of the party Central Committee and deputy head of the party Central Committee Culture and Ideology Department; and Comrade Tran Hoan, member of the party Central Committee and minister of information, culture, and sports.

Deputy Minister Vu Khac Liem read a report pointing out that 1991 witnessed many difficulties and upheavals on the economic and sociopolitical fronts. However, the entire cultural and sports sector has made concerted efforts to effectively implement a number of major projects. Thanks to a quick expansion of radio and television networks, many localities have greatly improved the people's cultural life and have satisfactorily carried out propaganda activities aimed at keeping the people informed of the documents of the party congress at all levels as well as of the seventh national party Congress.

Special activities have also yielded concrete results. For example, the sector produced nearly 100 films of all kinds; maintained the operations of professional art troupes; invested more than 300 million dong in the promotion of traditional cultural activities; added nearly 1,000 more items to the list of archeological, cultural, historical, and revolutionary artifacts; adequately organized various physical culture and sports contests; and developed a number of physical culture and sports activities in the countryside and mountain areas. Importance has been attached to theoretical research. A 580-million-dong grant has been allocated to 24 units to implement 50 projects sponsored either by the state or the various sectors.

Southern Press, Publication Conference Convened

BK2802103792 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 24 Feb 92

[Text] Following the national conference on the press and publications of northern provinces, from 20 to 22 February, the party Central Committee Secretariat and the Council of Ministers convened a conference in Ho Chi Minh City on the press and publications of southern regions, with the purpose of intensifying party leadership and state management over these tasks.

Some 400 comrades including heads of training and propaganda committees and ideological and cultural committees, vice chairmen of the people's committees, directors and deputies of the cultural and information services, and editors in chief and directors of publishing houses of central sectors, provinces, and cities from Thua Thien-Hue to Minh Hai attended the conference.

Comrades Nguyen Duc Binh, Political Bureau member, and Nguyen Khanh, party Central Committee member and vice-chairman of the Council of Ministers, presided over the conference.

The conferees listened to Comrade Vu Tho, party Central Committee member and deputy head of the party Central Committee Department of Ideology and Culture, present a joint report of his department and the Ministry of Culture, Information, and Sports. Fully aware of the viewpoints and guidelines of the seventh party congress resolution on intensifying leadership and management over press and publication tasks, Comrade Tran Hoan, party Central Committee and minister of culture, information, and sport, read a report on the managerial control over the press and publications since the sixth party congress.

The conferees heard Comrade Nguyen Duc Binh read General Secretary Do Muoi's important address to the national conference on the press and publications of the northern regions, and Comrade Nguyen Khanh read Council of Ministers Chairman Vo Van Kiet's letter to the conference.

The conference devoted two full days to discussing achievements, outstanding tasks, good points, and shortcomings, as well aso profoundly analyzing the current main trends and their manifestations in the press and publication tasks. In assessing the prominent features in the absolute majority of statements at the conference on the real status of the press and publications since renovation began, especially since the issuance of Directive 63 of the party Central Committee Secretariat and Resolution 384 of the Council of Ministers, the conferees agreed that since the sixth party congress, the press and publication sector has strenuously worked to increase its effort to surge forward and renovate itself, has made important contributions to the party's renovation cause in all fields of activity of the country's life, and has created conditions for promoting democracy in society, firmly maintaining political stability, stirring up all latent potential, and creating a momentum for advancement.

All the delegates recognized the maturity and the obvious development of the information sector in terms of the quality, quantity, forms, and effectiveness of its tasks. It has satisfactorily performed the function and duty of being both the voice of the party, the state, and social organizations, as well as the people's forum in the process of socioeconomic renovation, in commending new factors and new men as well as in the struggle against the evils of corruption, negativism, erroneous viewpoints, and distorted allegations. It has helped further clarify our party's viewpoints in the country's advance, and has asserted the revolutionary ethics and the steady political ability of the press.

The publication sector has also made new progress in meeting ever better and ever more diversely the multifaceted requirements of social life. The material and technical bases of the press, printing, and publication agencies have been increased and modernized quickly in an effort to improve their contents and forms, overcome the mechanism of subsidization, and strive to adopt the more effective cost-accounting system.

Party committee echelons and state management agencies have paid more interest in leading, guiding, and controlling the implementation of the party's political orientations and policies via the mass information media. This is the main aspect of the situation and the aforementioned achievements and good points are very worthy of appreciation.

However, the conferees thoroughly reviewed the weaknesses and shortcomings, including even serious ones, in some press articles at various junctures concerning political viewpoints and dull militancy. Writings on new factors are few and lack in-depth meaning. Reports on some negative phenomena are inaccurate and imprudent. There are not many books on mountainous regions where tribal people live.

Moreover, a tendency to commercialize the press and publications has also appeared in such measures as exploiting the issues of sex and criminal cases to instigate violence and superstition. Indecent foreign books have been published and videotapes of bad and depraved contents have been imported which have a bad impact on education, aesthetics, and national cultural traditions, and which cause harmful effects on readers and viewers, especially among the younger generations.

The conferees analyzed the objective and subjective causes of these weaknesses and shortcomings, especially in the lax implementation of directives and resolutions of the party and the state. The managerial control of books and journals from the central down to local levels is insufficient and substandard. Some editors in chief and directors have not adequately realized their role and responsibility.

By asserting that the press and publications are an important force on the ideological and cultural battlefront, all the statements at the conference were unanimous on the future guidelines and tasks needed to help secure political stability; continually accelerate the country's renovation process in accordance with the seventh party congress resolution; see that a Marxist-Leninist world concept and Ho Chi Minh thought, ethics, and bearing occupy the leading position in the moral life of the society; oppose opportunistic tendencies and the plots and maneuvers of peaceful evolution; develop the press, information, and publications sectors in the direction of enhancing quality and efficiency; foster the development of the Vietnamese peoples' personality and intelligence; reestablish order on the press and publication battlefront; bring good points into play; overcome shortcomings; meet the ever- increasing and diverse demands of readers in all fields of social life; and profoundly analyze the favorable conditions, difficulties, and complex situation in the country and the world.

The statements clearly indicated the following: Faced with the hostile forces' plots and maneuvers of peaceful ideological evolution and the newly emerging problems in the shift to the market mechanism, more than ever before, pens must be the sharp weapons of our party, state, and people to help firmly maintain political stability, vigorously accelerate the process of renovating and raising the people's intellectual standard, promote civil rights, make the people prosperous and the country strong, facilitate the gradual transition to socialism, struggle against wrong viewpoints and acts of sabotage by hostile forces, and build and defend the homeland under all circumstances.

Rearranging the press and publication network was the issue on which the conferees unanimously agreed and considered an urgent task. The purpose of rearrangement is to enhance the quality and effectiveness of the network, oppose duplication, and ensure that all books and journals contain healthy contents.

In order to turn the results of the conference into practical action, Comrade Nguyen Duc Binh urged the delegates to correctly review and assess the actual status of the press and publications, as well as their leadership and management tasks, upon their return to their localities and sectors, in order to absorb good lessons for the implementation of future tasks. Effort should be focused on rearranging the press and publication sectors, considering it a pressing and imminent task. While carrying out this task, we must carry on our work to enhance the quality and efficiency of the press and publications in order to mobilize the entire society to carry out the political duty of the country. We must also help to vigorously stir up patriotism, national pride, and self-reliance in combination with our action to expand international relations, thriftily build and defend the homeland, perfect the assignment of cadres in charge of the press and publication agencies, issue rational policies on financial assistance to the press and publication operations, and properly remunerate talented writers and journalists.

All sectors and echelons should establish programs and plans for implementing these major duties of the ideological task.

State Bank Issues Decision on Capital, Loans

BK2802080792 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 26 Feb 92

[Text] The Vietnam state bank governor has made public a decision permitting state commercial banks, investment and development banks, general corporations for gold, silver, and precious stones to mobilize capital among the people and the various business sectors, as well as allowing economic units and organizations in need of capital to pay interest based on values guaranteed by 99.99 percent pure gold. The objectives of the decision are to provide capital to major projects, curb inflation, and stabilize currency values.

The interest rates on capital mobilized among the people shall be based on the adequate application of international interest rates to the economic conditions in the country. The interest rates on loans shall be equal to the interest rates on mobilized capital plus fees for banking services. It is necessary to guarantee the interests of depositors, borrowers, and banks.

Based on the durations of investment projects, units having permission to mobilize capital or grant loans may issue promissory notes for one-year, three-year, five-year, or longer terms, depending on projected needs. Depositors have the right to receive interest and capital gains on schedule. Payments are to be made in cash commensurate with the value of gold listed on the promissory notes, and based on the selling prices of gold posted at the paying counters. Payments may be made in gold or U.S. dollars, if needed, but must be strictly in accordance with state regulations governing the management of gold, silver, and foreign currency. To avoid risks, borrowers should buy state-covered insurance.

German Academic on Foreign Investment Law

BK2802070792 Hanoi VNA in English 0619 GMT 28 Feb 92

[Text] Hanoi VNA Feb. 28—The head of the Friedrich-Erbert Stiftung Institute (FES) resident office in Vietnam, Mr. N. Hoffmann, held a talk in Hanoi on Feb. 27 afternoon on western lawyers' opinions on Vietnam's foreign investment law.

Dr. Arno Wholgemuth, a law lecturer at the Frei Universitat (Berlin Open Unversity), Germany, was the main speaker who outlined the foreign investment law of some other countries and said that Vietnam was one of the first countries in asia to issue the law on foreign investment. He also pointed to some limitations in the Vietnamese law, which has, therefore, failed to meet the aspirations of foreign investors.

Dr. Arno Wohlgemuth expressed his wish that the Vietnam Government should promulgate soon the civil law, the law on businesses, etc. and amend some provisions in the law on foreign investment so as to attract more foreign investors.

Former CPV Leader Rejects Multiparty System

OW2802042892 Tokyo KYODO in English 0319 GMT 28 Feb 92

[Text] Hanoi, Feb. 28 (KYODO)—Former Vietnamese Communist Party Chief Nguyen Van Linh on Thursday flatly rejected political pluralism, saying "an idea that democratization is surely linked with a multiparty system does not fit conditions in Vietnam."

In a rare interview with KYODO News Service, former Party Secretary General Linh reiterated the party's position of sticking to socialism under one-party rule.

Linh, 75, stressed in his first interview since his retirement last June that the nation's economic reform policies over the past five years have been successful.

But Linh said the party dictatorship is still necessary because "living standards of the Vietnamese people are still low as our nation has not gotten out of poverty."

Linh added that those who steal large amounts of public money should be severely punished to secure trust in the party dictatorship.

The former party chief indicated he expected Japanese economic aid, saying "our nation together with Laos and Cambodia do hope to strengthen ties with Japan."

Japan froze official development assistance (ODA) to Vietnam in 1979 after Hanoi invaded Cambodia in

December 1978. Japan, however, is likely to resume ODA to Vietnam as early as this spring.

Linh added he would like to visit Japan as a private person, hopefully in the middle of the year.

Linh retired at the Seventh Party Congress last June. He currently serves as an advisor to the Party Central Committee.

Yen Bai Veterans Association Steps Up Activities

BK2702074792 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 26 Feb 92

[Text] Following the re-delineation of the province, the Yen Bai Province War Veterans Association has promptly stabilized its organization and achieved work efficiency. To date, the association has admitted 6,040 members and its activities have begun to yield some results. The association has helped social welfare recipients who have difficulties making ends meet by giving them 300 man-days of work, 70 kilograms of rice, and 560,000 dong. In addition, it donated 2 million dong to those members affected by a recent flash flood in Son La Province. Furthermore, it raised 47 million dong to support the implementation of the rear-army policy and to show appreciation for those who have rendered meritorious services to the revolution.

So far, the association has concentrated efforts on fulfilling its tasks in different forms so as to help each member fully understand the basic issues raised in the seventh party congress resolution concerning citizens' duty to defend the fatherland and the socialist regime, firmly maintain political stability, and effectively support the renovation undertaking through concrete daily activities.

To date, the association has signed contracts for its members to put 30 hectares of water bodies under fish rearing, to cover 393 hectares of bare hills with greenery, and to tend many herds of oxen. The projects have all brought about concrete results.

Reform of Public Enterprises Discussed

BK2702145992 Hanoi VNA in English 1451 GMT 27 Feb 92

[Text] Hanoi VNA February 27—Reform of public enterprises is being discussed by Vietnamese and foreign experts here.

At a two-day workshop opened on Feb. 25, participants focus on the many crucial problems facing public enterprises in this transitional period to the market economy.

The workshop, sponsored by the Central Institute for Economic Management, the Swedish International Development Authority (SIDA), and the Swedish Management Group (ISO), is attended by representatives of many research institutes, ministries, state commitees and departments. Foreign participants include Mr. Mats Aberg, Swedish Ambassador Mr Rolf Eriksson, head of SIDA in Hanoi, representatives of UNDP, the World Bank Mission, and experts from Sweden, Hungary and Finland.

Other matters of relevant concern are the real situation of public enterprises, the new role of management in enterprises, reasons and methods for restructuring public enterprises, key elements in creating a good climate for enterprises, decentralisation and independence in production, marketing and financial decisions of enterprises, and experience from (?economic) reform in hungary and developing countries.

Radio Reports Free Market Prices on 24 Feb

BK2502051792 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 24 Feb 92

[Text] According to statistics released by the State Pricing Commission, the free market prices in some localities on 24 February are as follow:

—The price of a kilogram of ordinary rice is 2,600 dong in Hanoi, 2,500 dong in Haiphong, 2,350 dong in Thai Binh, 2,600 dong in Ha Bac, 2,700 dong in Quang Ninh, 2,100 dong in Da Nang and Nha Trang, 2,250 dong in Ho Chi Minh City, 1,950 dong in My Tho, and 1,800 dong in Can Tho and Long Xuyen.

—The price of a kilogram of pork loin is 12,500 dong in Hanoi and Haiphong, 13,000 dong in Ha Bac, 12,000 dong in Thai Binh, 21,000 dong in Ho Chi Minh City, and 16,000 in Da Nang, My Tho, Can Tho, Long Xuyen, and Ca Mau.

—The price of a chi of 98-percent pure gold is 520,000 dong in Hanoi, 518,000 dong in Haiphong, 516,500 dong in My Tho, 513,000 dong in Can Tho, 522,000 dong in Long Xuyen, and 527,000 dong in Ca Mau. The 96-percent pure gold is 502,000 dong in Ho Chi Minh City.

—The price of a U.S. dollar is 11,700 dong in Hanoi, 11,770 dong in Haiphong, 11,820 dong in Ho Chi Minh City, 11,800 dong in My Tho, 11,830 dong in Can Tho, 11,750 dong in Long Xuyen.

—The price of a yuan is 1,900 in Quang Ninh and 2,020 dong in Lang Son.

New Antenna Ensures Good Reception for Islanders

BK2502130592 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 Feb 92

[Text] On the occasion of the Nham Than [Year of the Monkey] New Year, for the first time people in the island district of Phu Quoc have had direct access to good quality television programs from the central television station. This was credited to the wholehearted assistance of the Kien Giang and Ho Chi Minh City radio and television networks in helping Phu Quoc with the installation of a disk antenna to ensure good reception of signals from the central television station.

TV Station Airs Programming on Two Channels

BK2502131192 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 21 Feb 92

[Text] Since the Nham Than [Year of the Monkey] New Year, the Quang Nam-Da Nang television station has broadcast its programs on two different channels. The first channel is for programs from the central television station and the second is for casts aired by the Da Nang television station in combination with programs from the various television networks in the central provinces.

The station has put a five-kw capacity transmitter into operation. The new transmitter covers a five-km radius, which is five times larger than the area covered by the old transmitter. The sturdy 70-meter high antenna tower has a very nice shape.

Last year, the Da Nang television station aired 428 broadcasts lasting 1,284 hours—which is 402 hours more than the previous year—and the quality of its programming was rated as good by local viewers.

Australia

Prime Minister Makes 'Stinging' Attack on Britain

BK2702094092 Hong Kong AFP in English 0917 GMT 27 Feb 92

[Text] Canberra, Feb 27 (AFP)—Australian Prime Minister Paul Keating turned republican sentiment into a major election issue Thursday, launching an unprecedented attack on Britain and those "who doff their lids to the British establishment."

In a stinging parliamentary outburst he revealed a rich hostility towards Britain, which he accused of neglecting Australia during its hours of need.

Keating himself was the target of royalist outrage here and in Britain earlier this week because of a supposedly pro-republican welcome speech to Queen Elizabeth II and because at one stage he appeared to have his arm round her back. His wife Annita was also lambasted because she shook hands with the queen instead of curtsying.

Keating counter-attacked Thursday in speeches to the National Press Club here and to parliament presenting himself as man of vision and his parliamentary opponents as "men of the past".

The speeches, supposedly about economic policy, drew obvious battle lines for a general election due next year, making clear also his belief that his republican stance will win him more votes than it will lose. He described his conservative opponents as "the same old fogeys who doffed their lid and tugged the forelock to the British Establishment."

They suffered from a "cultural cringe" in trying to turn Australia back to the 1950's and to maintain its links to Britain, he said.

Among his accusations, Keating attacked Britain for:

—Failing to defend the Malaysian peninsula in World War II
—Refusing to allow Australian troops to return from the European theatre to defend their country
—Walking out on Australia by joining the European Common Market.

His attack, which some parliamentarians said was the most bitter ever made on Britain by an Australian prime minister, appeared to inflame passions on both sides of the House. He was vigorously applauded by his backbench and shouted down by opposition MP's.

Keating said he had been accused by opposition leader John Hewson and industrial relations spokesman John Howard of failing to show respect to the queen.

"I was told I did not learn respect at school; I tell you I learned one thing," Keating said. "I learned about self-respect and self-regard for Australia, not about some cultural cringe to a country which decided not to defend the Malaysian peninsula, not to worry about Singapore, not to give us our troops back to keep ourselves free from Japanese domination. This is the country you people wedded yourselves to and even when they walked out on you and joined the Common Market you were still looking for your MBE's [member of the British Empire] and your knighthoods and all the rest of the regalia that comes with it."

The opposition wanted to take Australia back down a time tunnel to the 1950's when it believed times were better, he said.

Conservative heroes such as former Australian prime minister Sir Robert Menzies and Lord Casey were "not aggressively Australian and not proud of our culture."

Foreign Minister Gareth Evans said later he was reluctant to comment on Keating's remarks. However he said he believed Australia's relationship with Britain was "robust" enough to withstand them.

Earlier in the day, Keating hit back at London's tabloid editors, describing them during a radio interview as "a particularly low form of human life" and saying that nobody should pay them any notice.

A spokesman for Keating said later his view of the British tabloid press was a pretty common perception of those who were not always regarded as the most respected members of the world's media.

In his controversial speech in front of the queen on Monday, Keating drew attention to Australia's independence and its links with Asia. The speech was applauded by pro-republicans as an landmark in Australia's political history while monarchists claimed it was inappropriate and embarrassing.

Army Views Attack on Helicopter in Cambodia

BK2702033992 Melbourne Radio Australia in English 0300 GMT 27 Feb 92

[Excerpts] The United Nations Security Council is expected to officially establish a peacekeeping force in Cambodia later today. However Security Council members will be holding talks beforehand to ensure they will fund for the $2 billion operation—one of the UN's costliest. [passage omitted]

Meanwhile, the Security Council has condemned an attack on a UN helicopter which injured the head of the Australian contingent, Lieutenant Colonel Russell Stewart. A UN spokesman said it is not known who fired on the helicopter which was flying over Khmer Rouge-held territory at the time.

In Canberra, an Army spokesman, Colonel (Dick Toth), said the attack does not change Australia's commitment to keeping the peace and the attack is regarded as an isolated incident.

Evans Welcomes Indonesian Discipline of Officers

BK2802072692 Melbourne Radio Australia in English 0500 GMT 28 Feb 92

[Text] Australia says the action against Indonesian military officers over the Dili massacre represents an explicit acknowledgement of wrongdoing by Army personnel. Australia's foreign minister, Gareth Evans, welcomed the announcement by the Indonesian Army chief of staff, General Edi Sudrajat, that six senior officers would be punished and eight others would be court-marshaled.

Sen. Evans said the general's statement displayed a clear sense of responsibility by the military for the tragic events in Dili in November. The foreign minister said the statement was an appropriate recognition that the military's behavior was excessive. He said Australia would continue to make representations to Indonesia that no one should be detained or penalized for nonviolent political activities.

Sen. Evans said Australia was concerned that Indonesian security forces in East Timor should be properly controlled and be much more sensitive to the needs of the people. He said the Indonesian Government had to develop a systematic approach to a long-term reconciliation in East Timor and recognize the province's distinctive cultural identity.

Papua New Guinea

Namaliu Calls for Control of Drug Trafficking

BK2702062892 Melbourne Radio Australia in English 0500 GMT 27 Feb 92

[Text] Papua New Guinea's prime minister, Rabbie Namaliu, has warned the country risks becoming a haven for illegal drug dealers if measures are not taken to control drug trafficking.

Mr. Namaliu told parliament that Papua New Guinea had been widely used as a transit point for drug running for the American and Asian continents. He said cultivation of drugs was known in Papua New Guinea and their exports to United States had become known as New Guinea gold.

Namaliu, speaking in support of a plan to set up a narcotics control board, says that drastic action is needed against drugs as professional drug dealers could gain control of the country.